



**AGENDA**  
RIO DELL PLANNING COMMISSION  
REGULAR MEETING - 6:30 P.M.  
TUESDAY, JUNE 27, 2017  
CITY COUNCIL CHAMBERS  
675 WILDWOOD AVENUE, RIO DELL

*WELCOME . . . By your presence in the City Council Chambers, you are participating in the process of representative government. Copies of this agenda, staff reports and other material available to the Commission are available at the City Clerk's office in City Hall, 675 Wildwood Avenue. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell Planning Commission meetings often.*

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. CEREMONIAL MATTERS

E. CONSENT CALENDAR

- 1) 2017/0627.01 - Approve Minutes of the May 23, 2017 Regular Meeting (**ACTION**) 1

F. PUBLIC PRESENTATIONS

*This time is for persons who wish to address the Commission on any matter not on this agenda and over which the Commission has jurisdiction. As such, a dialogue with the Commission or staff is not intended. Items requiring Commission action not listed on this agenda may be placed on the next regular agenda for consideration if the Commission directs, unless a finding is made by at least 2/3rds of the Commission that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.*

G. SCHEDULED MATTERS/PUBLIC HEARINGS/STUDY SESSIONS

- 1) 2017/0627.02 - Resolution No. PC-112-2017 Approving a Conditional Use Permit for PMD, Inc. (Glen White Group) for Medicinal Cannabis Operations, including Research and Development, Manufacturing Oils/ Concentrates, a Health and Wellness Center, a Distribution and Processing Facility, a Tissue Culture Nursery and Research Facility and a DigiPath Cannabis Testing Laboratory subject to Conditions of Approval - File No. 205-111-021; Case No. CUP 17-01  
(**DISCUSSION/POSSIBLE ACTION**) 6

2) 2017/0627.03 - Resolution No. PC-113-2017 Approving a Conditional Use Permit for GreenHeart Industries LLC for Medicinal Cannabis Operations, including Manufacturing Oils/Concentrates, Indoor Cultivation and a Distribution and Processing Facility within a 19,200 foot building subject to Conditions of Approval - File No. 205-111-075; Case No. CUP 17-02  
(DISCUSSION/POSSIBLE ACTION) 33

3) 2017/0627.04 - Discussion and Consideration of Parking Exception Request from Dennis Wendt - File No. 205-111-012; Case No. DR-CUP-17-01  
(DISCUSSION/POSSIBLE ACTION)

#### H. ADJOURNMENT



In compliance with the American with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (707) 764-3532. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting.

*The next Regular Planning Commission meeting is scheduled for  
Tuesday, July 25, 2017 at 6:30 p.m.*

**RIO DELL PLANNING COMMISSION  
REGULAR MINUTES  
MAY 23, 2017**

The regular meeting of the Rio Dell Planning Commission was called to order at 6:30 p.m. by Commissioner Angeloff.

Present were Commissioners Angeloff, Kemp, Marks, Strahan and Woodall.

Others present were Planning Commissioner Alternate Richter, Community Development Director Caldwell and City Clerk Dunham.

**CONSENT CALENDAR**

Approve Minutes of the April 25, 2017 Regular Meeting

Commissioner Marks referred to page 10 of the minutes related to the proposed amendment to the sign regulations and said her recollection is that the City Council excluded illuminated signs in the Town Center (TC) and Neighborhood Center zones intentionally because of the size of the signs. She suggested staff take a closer look at the proposed regulations as the size of signage seems large for the Town Center (TC) and Neighborhood Center (NC) designations. She said as she recalls, the other issue was that people wanted to put large signs in the front yards of home businesses which the Council was not in support of.

Motion was made by Woodall/Kemp to approve the consent calendar including approval of the minutes of the April 23, 2017 as presented. Motion carried 4-0; Commissioner Marks abstained.

**PUBLIC PRESENTATIONS**

None

**SCHEDULED MATTERS/PUBLIC HEARINGS/STUDY SESSIONS**

Resolution No. PC-109-2017 Approving the Design Review Conditional Use Permit for PMD, Incorporated for the development of three (3) buildings. Building 1: (4) unit retail commercial; Building 2: Warehouse, distribution and packaging; Building 3: Cannabis Testing Lab (DigiPath), concentrate manufacturing, research and development of cannabis medicinal products, and tissue culturing and plant nursery subject to Conditions of Approval APN 205-111-021 – Case No. DR-CUP 17-02  
Community Development Director Caldwell provided a staff report and began by

stating that staff was excited to be bringing forward the Conditional Use Permit application for PMD, Incorporated (Glen White Group) for the design review of their proposed development at the former Eel River Sawmill site. He noted that the parcel proposed to be developed is the most northerly parcel at the site. He then referred to the renderings that were presented and reviewed the buildings and proposed uses. He reported that the actual cannabis activity application will be coming before the Planning Commission at their June 27, 2017 regular meeting for consideration.

He noted that the project as proposed, other than needing one additional bicycle parking space on building 2, complies with the Rio Dell General Plan and Zoning regulations. As such, staff conditioned the project to require the additional bicycle parking space. He commented that it was a pleasure reviewing this project because of how well it was put together.

Community Development Director Caldwell stated that both Glen White and his wife Michelle and their designer, DJ Cleek were present to answer questions.

Commissioner Angeloff disclosed that he currently has a contract with the applicant to perform archeology work on a separate property as well as the fact that he is President of the Rio Dell-Scotia Chamber of Commerce and Mr. White has attended their meetings. He noted that he has no financial interests in this project so believes it is not necessary to recuse him from discussion of the project and asked for concurrence from staff and the Commission. Neither Commissioners nor staff could see any potential conflict of interest.

Commissioner Woodall commented on how nice it is for the Commission to receive such complete application materials and said the project is very impressive.

Commissioner Marks asked if the recommended action of the Commission is only on approval of the building at this time and asked if the issue of storm drains will be discussed at a future meeting.

Community Development Director Caldwell explained that storm drains are actually covered under the design of the project including retention/detention basins. He noted that the project once constructed will actually reduce storm water runoff by approximately 40%. He noted that the storm water system as designed will enable the storm water runoff to flow into those retention/detention facilities or to the

adjacent drainage ditches, noting that there is an existing drainage ditch in front of the project site between the freeway and the site.

Commissioner Angeloff opened the public hearing to receive public comment on the proposed project. There being no public comment received, the public hearing closed.

Motion was made by Kemp/Woodall to approve Resolution No. PC-109-2017 approving the Design Review Conditional Use Permit for PMD, Incorporated as conditioned. Motion carried 5-0.

Resolution No. PC-111-2017 recommending the City Council amends Section 17.30.195 of the Medical Cannabis Commercial Land Use Regulations of the Rio Dell Municipal Code (RDMC) to allow for the therapeutic application and retail sales of medical cannabis products excluding flowers, trim, leaf or cannabis infused edibles accessory to a Health and Wellness Center in the Industrial Commercial (IC) designation located in the Sawmill Annexation area

Community Development Director Caldwell provided a staff report and explained the applicant is proposing the establishment of a Health and Wellness Center in the northerly building of the proposed development including the holistic and therapeutic application and sales of medical cannabis products such as oils, tinctures, sublinguals, creams, lotions, pills, suppositories, and cosmetics. He said this will not be a dispensary in the true definition of a "marijuana dispensary" as it will not include the sale of flowers, trim, leaf or cannabis infused edibles.

He reported that staff supports the proposed use provided there is only one Health and Wellness Center allowed administering and selling medical cannabis products.

He continued with review of the proposed amendments to Section 17.30.195 of the Medical Cannabis Land Use Regulations.

Community Development Director Caldwell stated that Commissioner Woodall identified a typographical error in the staff report which is the reason for providing the supplemental handout. He explained the corrected language under (g) of the Performance Standards will read: "Medical cannabis may not be inhaled, smoked, eaten, ingested, vaped, or consumed at the premises and/or location" striking the words "otherwise used or". He stated for clarification that what that means is that

it allows for the sale of medical cannabis products but nothing that can be consumed.

Commissioner Marks asked for the definition of "ingested" and said she understood that some products such as sublinguals are ingested under the tongue.

**Glen White** stated for clarification that they will only be applying topicals at the Health and Wellness Center and that nothing will be ingested.

Community Development Director Caldwell noted that the Plan of Operation for the Health & Wellness Center will be coming to the Planning Commission at the next regular meeting on June 27, 2017.

Commissioner Marks referred to (k) of the General Provisions where it reads "etc." after the list of products to be administered and asked if that leaves it open for other products.

Community Development Director Caldwell explained that it does as there may be other discoveries or products in the future that they are not aware of.

He stated that another change with the text amendment as recommended by Mayor Wilson relates to the number of concurrent hours required for security cameras to be digitally recorded and stored for security purposes increasing it from 240 hours (10 days) to 720 hours (30 days). He noted that this seems to be the common practice with other agencies.

He said with the proposed amendments, staff's recommendation is to open a public hearing to receive public input followed by adoption of Resolution No. PC-111-2017 recommending the City Council amends Section 17.30.195, Commercial Medical Cannabis Land Use Regulations of the Rio Dell Municipal Code.

Commissioner Angeloff opened the public hearing to receive public input on the proposed text amendment. There being no public comment, the public hearing closed.

Commissioner Woodall asked for clarification that the use will be limited to one (1) facility. She also questioned the hours of operation.

Staff clarified that the amendment only allows for one (1) Health and Wellness Center for administering and selling medical cannabis products.

**Michelle White** commented that the hours of operation for the Health & Wellness Center will be from 9 a.m. to 6 p.m. however; the coffee shop will open earlier, probably around 6 or 7 a.m.

Motion was made by Woodall/Marks to adopt Resolution No. PC-111-2017 recommending the City Council amends Section 17.30.195, Commercial Medical Cannabis Land Use Ordinance of the Rio Dell Municipal Code (RDMC) to (1) identify and define Health and Wellness Centers, including the therapeutic application and retail sales of medical cannabis products including oils, tinctures, sublinguals, creams, lotions, pills, suppositories, cosmetics, etc. but excluding the sale of flowers, trim, leaf or cannabis infused edibles as a Conditionally Permitted use in the Industrial Commercial zone in the Sawmill Annexation area; and (2) amend the required hours of video security from 240 to 720 hours. Motion carried 5-0.

Community Development Director Caldwell commended Glen White and his architect for submitting such a complete comprehensive project and said it's a fantastic design and he is looking forward to the development. He added that he believes this will be the iconic for cannabis related facilities on the north coast.

## ADJOURNMENT

Motion was made by Commissioner Kemp/Marks to adjourn the meeting at 7:52 p.m. to the June 27, 2017 regular meeting. Motion carried 5-0.

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Nick Angeloff, Chair

Attest:

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Karen Dunham, City Clerk

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675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532



For Meeting of: June 27, 2017

To: Planning Commission

From: Kevin Caldwell, Community Development Director 

Through: Kyle Knopp, City Manager

Date: June 13, 2017

Subject: PMD Inc. Conditional Use Permit  
File No. 205-111-021; Case No. CUP 17-01

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**Recommendation:**

That the Planning Commission:

1. Receive staff's report regarding the proposed Conditional Use Permit;
2. Open the public hearing, receive public input, close the public hearing and deliberate;
3. Assuming that public testimony is substantially in support of the proposal, find that:
  - (a) The proposed use is allowed within the applicable zoning district and complies with all other applicable provisions of this title and all other City ordinances;
  - (b) The proposed use is consistent with the general plan and any applicable specific plan;
  - (c) The design, location, size, and operating characteristics of the proposed activity are compatible with the existing and future land uses in the vicinity;

(d) The site is physically suitable for the type, density and intensity of use being proposed, including access, utilities, and the absence of physical constraints;

(e) Granting the permit would not be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zoning district in which the property is located; and

(f) The Conditional Use Permit has been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act (CEQA);

4. Adopt Resolution No. PC 112-2017 approving the Conditional Use Permit, subject to the Conditions of Approval, Exhibit A.

### **Background**

The Conditional Use Permit is for the cannabis related activities. Attachment 1 includes the Plan of Operations for the proposed uses. The Plan of Operations addresses, employees, traffic, security, waste management, etc. As the Planning Commission is aware, the buildings and the landscaping were approved at your meeting of May 23, 2017. Again, the applicant is proposing three (3) commercial buildings.

Building one (1), the northerly building will include four (4) units of retail commercial use, including a Holistic Spa, a Health and Wellness Center, a retail clothing store and a coffee bistro. It will be a one (1) story building, 7,200 sq. ft. w/2400 sq. ft. mezzanine. The Health and Wellness Center will be providing the holistic and therapeutic application and sales of medical cannabis products, including oils, tinctures, sublingual's, creams, lotions, pills, suppositories, cosmetics, etc. The sale of flowers, trim, leaf or cannabis infused edibles are not allowed.

Building two (2) the middle building will be used for a commercial medical cannabis warehouse, distribution and packaging facility. It too will be a one (1) story building, 10,141 sq. ft. w 3,210 sq. ft. mezzanine.

Building three (3), the southerly building will include a cannabis testing laboratory (DigiPath), a concentrate manufacturing facility manufacturing oils, tinctures, sublingual's, creams, lotions, cosmetics, etc. The oils will be made utilizing non-volatile and volatile processes and materials (i.e. hexane, butane and dimethyl ether). The manufacturing of the oils and storage of volatile materials will be done in spark-proof blast rooms designed and built by Parkline Industries. Building three (3) will also include the research and development of cannabis medicinal products, a tissue culturing operation and associated plant nursery.

As the Commission is aware the State is in the final stages of adopting regulations for cannabis businesses. Once adopted, local businesses are required to comply with both the State and local regulations.

## Required Findings/Staff Analysis

### Section 17.35.030 Rio Dell Municipal Code (RDMC) Conditional Use Permits.

#### 1. Zoning Consistency

*(a) The proposed use is allowed within the applicable zoning district and complies with all other applicable provisions of this title and all other City ordinances;*

**Land Use:** The property is zoned Industrial Commercial (IC). The purpose of the Industrial Commercial zone is to provide for industrial and commercial uses. The applicant is proposing a Health and Wellness Center that offers health services for the body and mind, including but not limited to fitness, personal training, nutrition consulting, skin care services, massage, holistic and herbal therapies, therapeutic application and retail sales of medical cannabis products including oils, tinctures, sublingual's, creams, lotions, pills, suppositories, cosmetics, etc

Building two will include a warehouse, packaging and distribution facility. The new State regulations require that all cannabis products be packaged for retail sale. Transportation logistics will also be a part of the operations. This type of activity requires a Type 8 Distribution License from the State.

Building three will include a manufacturing facility utilizing volatile and non-volatile methods of extraction, a nursery/tissue culture and research and development facility and a testing laboratory.

The Commercial Medical Cannabis Land Use Ordinance (CMCLUO), Section 17.30.195 allows medical cannabis facilities in the Sawmill Annexation area with a Conditional Use Permit. As such, the proposed uses are allowed.

Section 17.30.195(9)(i) requires that owners and employees who make operational or management decisions content to a back ground check. The project has been conditioned accordingly. **Please refer to Exhibit A.**

The buildings were evaluated for compliance with the development standards of the Industrial Commercial (IC) zone, including setbacks, lot coverage, building height, parking, design review, landscaping etc. as part of the Design Review approval.

Based on the information submitted, staff recommends that the proposed uses be found to be consistent with the development standards of the Industrial Commercial (IC) zone and the Commercial Medical Cannabis Land Use Ordinance, Section 17.30.195 of the Rio Dell Municipal Code.

## Performance Standards

**Health and Wellness Centers:** Section 17.30.195(14) of the Commercial Medical Cannabis regulations identifies the required Performance Standards for Health and Wellness Centers.

- (a) Health and Wellness Centers shall not sell or distribute cannabis flowers, trim, leaf or cannabis infused edibles.
- (b) The facility shall be alarmed with an audible interior and exterior alarm system, unless waived for extenuating circumstances by the Planning Commission that is operated and monitored by a recognized security company, deemed acceptable by the Planning Commission. Any change in the security company shall be subject to the approval of the City Manager or his designee. All current contact information regarding the medical marijuana facility's security company shall be provided to the City.
- (c) Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 720 concurrent hours of digitally recorded documentation in a format approved by the Planning Commission. The cameras shall be in use 24 hours per day, 7 days per week. The areas to be covered by the security cameras shall include, but are not limited to, the public areas, processing areas, storage areas, employee areas, all doors and windows, and any other areas as determined to be necessary by the Planning Commission.
- (d) Entrance to the medical cannabis products storage areas shall be locked at all times, and under the control of facility staff.
- (e) Medical cannabis products shall be stored in a secured and locked room, vault or safe, or other secured storage structure which is bolted to the floor or structure of the premises.
- (f) The sale of any medical cannabis products shall be limited to qualified patients, as defined in Section 11362.7 of the Health and Safety Code.
- (g) Medical cannabis may not be inhaled, smoked, eaten, ingested, vaped, or consumed at the premises and/or location.
- (h) The sales of pipes, including water pipes and other paraphernalia are prohibited.

The project as proposed and conditioned complies with the Performance Standards for Health and Wellness Centers.

## Processing and Distribution

Building two will include processing, packaging and distribution activities for products produced on-site and off-site. As required, the submitted Plan of Operations includes security provisions, including a biometric storage/vault area with a 1.5 hour fire rated steel door, material and

waste management provisions, the use of carbon filter fans to eliminate any potential odors associated with the activities. The applicants will be hiring US Marijuana Security Solutions out of Colorado for conducting background checks of all employees and implementing the security plan. The Plan of Operations includes background information on US Marijuana Security Solutions. The security plan includes a number of closed circuit cameras strategically placed on the outside and inside of the building to monitor and record all activities inside and outside the building.

The State will also require a security plan as well. Below are the State's required security plan regulations. The project is conditioned to comply with the State's requirements as well.

**§40200. Security Plan.** Every applicant and licensee shall develop and implement a security plan. At minimum, the security plan shall include a description of the security measures to be taken to:

(a) Prevent access to the manufacturing premises by unauthorized personnel and protect the physical safety of employees. This includes, but is not limited to:

(1) Establishing physical barriers to secure perimeter access and all points of entry into a manufacturing premises (such as locking primary entrances with commercial-grade, non-residential door locks, or providing fencing around the grounds, driveway, and any secondary entrances including windows, roofs, or ventilation systems);

(2) Installing a security alarm system to notify and record incident(s) where physical barriers have been breached;

(3) Establishing an identification and sign-in/sign-out procedure for authorized personnel, suppliers, and/or visitors;

(4) Maintaining the premises such that visibility and security monitoring of the premises is possible; and

(5) Establishing procedures for the investigation of suspicious activities.

(b) Prevent against theft or loss of cannabis and cannabis products. This includes but is not limited to:

(1) Establishing an inventory system to track cannabis material and the personnel responsible for processing it throughout the manufacturing process;

(2) Limiting access of personnel within the premises to those areas necessary to complete job duties, and to those time-frames specifically scheduled for completion of job duties;

- (3) Supervising tasks or processes with high potential for diversion (including the loading and unloading of cannabis transportation vehicles); and
- (4) Providing designated areas in which personnel may store and access personal items.
- (c) Secure and back up electronic records in a manner that prevents unauthorized access and that the integrity of the records is maintained.

The State also has packaging and labeling requirements for cannabis products and nonmanufactured cannabis products. “Nonmanufactured cannabis product” means dried flower, shake, leaf, and pre-rolls intended to be sold for use by medical cannabis patients. Below is a copy of the State’s packaging and labeling requirements. The labeling and packing requirements for cannabis products, which includes everything except nonmanufactured cannabis products, are virtually the same.

**Packaging Cannabis Products for Distribution.**

A package used to contain a cannabis product shall adhere to the following requirements:

- (a) The package shall protect the product from contamination and shall not expose the product to any toxic or harmful substance;
- (b) The package shall be tamper-evident, which means that the product is packaged in a container within which a product is sealed so that the contents cannot be opened without obvious destruction of the seal; and
- (c) The package shall not imitate any package used for products typically marketed to children.

**Labeling Cannabis Products for Distribution.**

The following labeling requirements shall be implemented within 180 days of licensure, or by December 31, 2018, whichever is sooner:

- (a) Any information required to be listed on a label shall be written in English;
- (b) Label and all required label information shall be unobstructed and conspicuous;
- (c) The label shall be in a text size no less than 6 point font and be in relation to the size of the container; and
- (d) The label shall include the following information:

- (1) The applicable requirements of Section 19347 of Business and Professions Code;
- (2) The net weight of the contents in the package; and
- (3) The unique identifier assigned by the track-and-trace system as required by Section 8402 of this Chapter.

## **Manufacturing**

The applicants are proposing a State Type 7 manufacturing facility in Building 3, Tenant 3 on the floor plan. Please refer to the Plan of Operation. A Type 7 license allows for extractions using volatile solvents, nonvolatile solvents or mechanical methods. "Volatile solvent" means any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures. Examples of volatile solvents include but are not limited to, butane, hexane, propane, and ethanol. "Nonvolatile solvent" means any solvent used in the extraction process that is not a volatile solvent. The State considers carbon dioxide a nonvolatile solvent.

The applicants are proposing a solid/liquid interface, a solid/gas interface, or a sub- or supercritical extraction process. Regardless of the mechanism used, the extraction technique may be either countercurrent extraction, percolation, or high-pressure carbon dioxide (CO<sub>2</sub>) extraction. The volatile solvents include hexane, butane and dimethyl ether (food grade alcohol). Apparently the Humboldt Creamery utilizes dimethyl ether in their manufacturing.

All volatile extractions will occur in a spark-proof, explosion-proof room that will be equipped with evacuation fans and lower explosive limit detectors. Blast resistant room will be custom built by Parkline/Bebco to be under regulations for volatile manufacturing. (Class I, Division I).

A Type 7 licensee may also conduct infusion operations. "Infusion" means a process by which cannabis, cannabinoids, cannabis concentrates, or manufactured cannabis are directly incorporated into a product formulation to produce a cannabis product. The applicants will be infusing creams, lotions and other similar products. The applicants are not are not proposing manufacturing edibles at this time.

### **(12) Performance Standards for Manufacturing Activities:**

- (a) Compliance with CAL/OSHA, OSHA regulations.
- (b) Compliance with State and local building regulations, including the California Building Code (CBC) and the California Fire Code (CFC).
- (c) A Security Plan that addresses how the following measures shall be implemented or complied with:

- (i) Entrance to the extraction areas and any cannabis storage areas shall be locked at all times, and under the control of facility staff.
  - (ii) Medical cannabis shall be stored in buildings that are completely enclosed, and in a locked vault or safe, or other secured storage structure which is bolted to the floor or structure of the premises.
  - (iii) Windows and roof hatches of the premises shall be secured from the inside with effective means so as to prevent unauthorized entry, and shall be equipped with latches or a similar mechanism that may be released quickly from the inside to allow exit in the event of emergency in compliance with all applicable building provisions in the Code.
- (d) If using CO<sub>2</sub> in processing, a professional grade closed-loop CO<sub>2</sub> gas extraction system rated to a minimum of fifteen thousand (15,000) pounds per square inch (PSI) is required for every vessel in the system.
  - (e) Extraction processes shall use a commercially manufactured professional grade closed-loop extraction system designed to recover the solvents and built to codes of recognized and generally accepted sound engineering practices, such as (i) The American Society of Mechanical Engineers (ASME); (ii) American National Standards Institute (ANSI); (iii) Underwriters Laboratories (UL); or (iv) The American Society for Testing and Materials (ASTM).
  - (f) Volatile extraction operations shall occur in a spark-proof, explosion-proof room equipped with evacuation fans and lower explosive limit (LEL) detectors.
  - (g) Carbon filter fans or equivalent superior filters/scrubbers shall be required to eliminate odor discharges to neighboring properties.
  - (h) A Waste Management/Disposal Plan shall be submitted describing any produced wastes, including by-products, recycling, reusing, recovery, storage, diversion and handling and disposal.
  - (i) Manufacturers of edibles shall comply with the regulations in the California Health and Safety Code, which includes the California Retail Food Code administered by the California Department of Health Services - Food and Drug Branch, California Department of Food and Agriculture and the County Department of Environmental Health.
  - (j) Comply with any special conditions applicable to that permit or parcel which may be imposed as a condition of the required Conditional Use Permit.

The applicants Plan of Operation demonstrates compliance with the adopted performance standards. The project is recommended to be conditioned to ensure compliance.

## Nursery

The applicants are proposing that about 2,700 square feet of building 3 be used as a tissue culture nursery and research facility. Nurseries are identified as a Type 4 State license. The State has limited the size of nurseries to 43,000 square feet. Below are the State cultivation requirements for nurseries.

### **Cultivation Requirements for Nurseries.**

(a) Nurseries producing immature plants for distribution may maintain a research and development area for the cultivation of mature plants. All mature plants shall be tagged with a unique identifier as required by Section 8402 of the California Code of Regulations (CCR). Nonmanufactured cannabis products derived from these plants are prohibited from entering the commercial distribution chain without the appropriate cultivation license.

(b) Licensees shall only conduct research and development on the premises in designated areas identified in their Cultivation Plan approved by the Department.

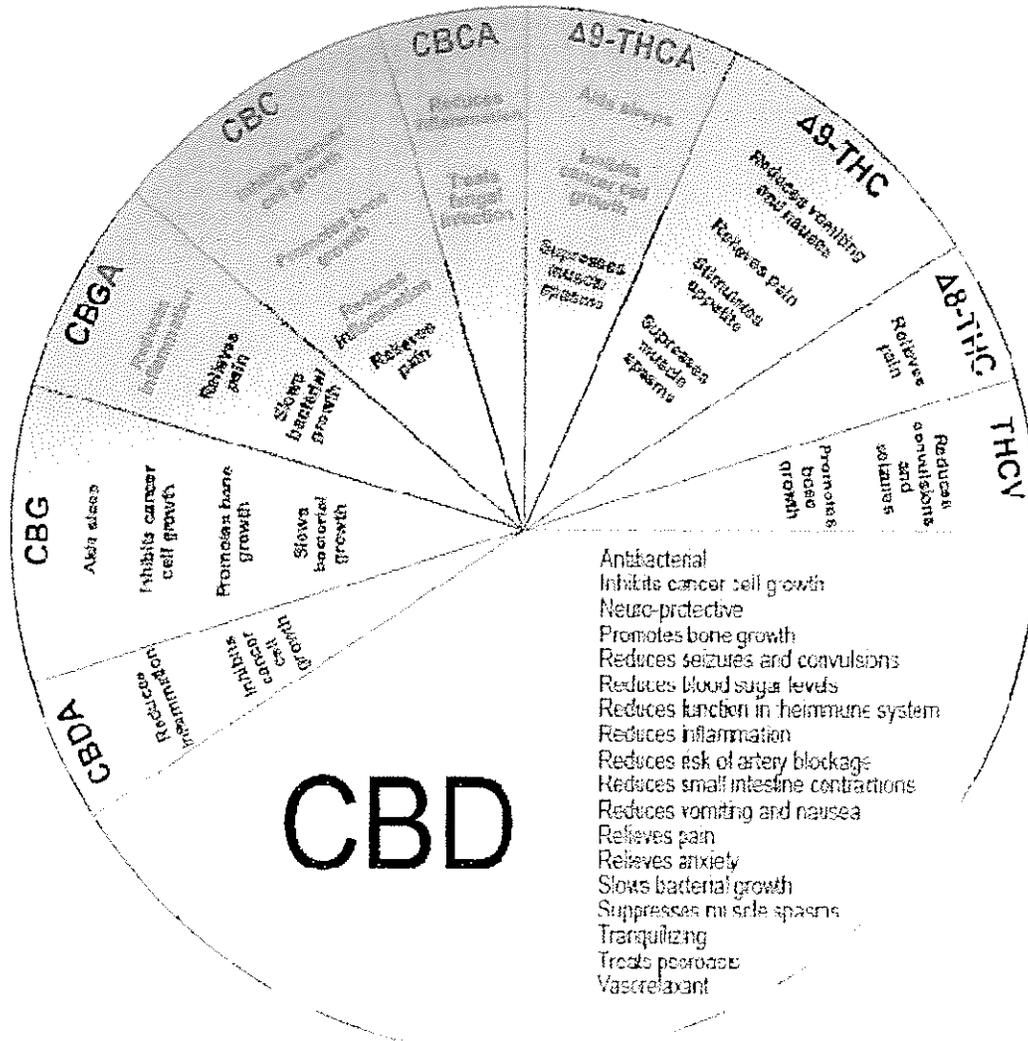
(c) Nurseries producing seed for distribution shall tag all mature plants as required by Section 8402 of the California Code of Regulations (CCR). Nonmanufactured cannabis products derived from these plants are prohibited from entering the commercial distribution chain without the appropriate cultivation license.

Many people in the industry believe one of the most significant changes coming to the cannabis industry is the application and use of plant tissue culture technologies.

The process removes a small section of the mother or parent plant called the explants. Then it is cleaned and placed in to a sterilized vessel containing a media substrate of agar. In the case of cannabis, micro nodes are taken from the original stock plant and placed in sterilized test tubes to grow. After 10-14 days the node has developed into a juvenile cannabis plantlet, with no roots. Given the proper conditions and fresh growth media, a plantlet can be indefinitely divided into other explants for new cultures. These new cultures can then be moved into a cannabis depository for storage, placed into bioreactors, used for experimental trials or transferred into rooting media and acclimated for cultivation.

Only in the past few years have cultivators taken cannabis tissue culture seriously. As real demand increases for cannabis and cannabis related products, cultivators of all sizes will need large quantities of clean, healthy, true to type starter plants. Intellectual property based around cannabis phenotype development and developed plant traits will rely heavily on tissue culture and cryopreservation as methods of possession of phenotypes. One of the safest ways for medically significant cannabis phenotypes to be transported and exchanged is as tissue culture in sealed vessels.

The applicant's intent is to develop cannabis types that have high levels of CBD's, CBDA's, CBG's, CBGA's, CBC's, CBCA's and other medicinal cannabinoids. There are at least 113 known different cannabinoids. Below is a wheel that identifies various cannabinoids and their medicinal uses.



The applicants are proposing to research various strains to identify which strains contain the types of cannabinoids would be most beneficial for their applications. Staff understands that once identified, the applicant's will be able to isolate and extract preferred cannabinoids for various medicinal applications. The applicants are also proposing the retail sales of clones to other medicinal cannabis farmers and patients.

The Plan of Operations addresses and complies with the required submittal and operational requirements of the CMCLUO, including a security plan, a waste management and disposal plan. The project is recommended to be conditioned to ensure compliance.

## Testing Laboratory

DigiPath Labs will be occupying approximately 2,700 square feet of building 3. DigiPath Labs is one of the industry leaders in cannabis testing in the State of Nevada. The Plan of Operations includes detailed information regarding their services. According to their website DigiPath Labs' mission is to provide pharmaceutical-grade analysis and testing to the cannabis industry to ensure consumers and patients know exactly what is in the cannabis they ingest and to help maximize the quality of its client's products through research, development, and standardization. DigiPath has developed industry-leading standard operating protocols (SOPs) to ensure marijuana patients know exactly what is—and what isn't—inside their cannabis-based medications.

The Medical Cannabis Regulation and Safety Act (MCRSA) makes clear that the protection of the public is paramount. In keeping with that, the MCRSA required that the Bureau of Medical Cannabis Regulations (BMCR) develop procedures for ensuring that all medical cannabis goods are tested prior to delivery to a dispensary for retail sale to medical cannabis patients. The MCRSA requires that all medical cannabis goods be tested by testing laboratories licensed by the BMCR for a variety of attributes for the protection of the public. Through the proposed testing laboratory regulations, the BMCR aims to ensure the medical cannabis goods offered for sale are safe for human consumption. The BMCR also aims to ensure medical cannabis patients receive accurate information regarding the medical cannabis goods they consume.

The MCRSA requires the BMCR, with assistance from the California Department of Public Health (CDPH), to develop health-protective levels for moisture content, contaminants, residual solvents, microbiological impurities, and foreign material. Consumable medical cannabis goods are at risk of contamination similar to other consumable products. Contamination may occur during various stages of the cultivation, harvest, extraction, processing, and packaging processes. Some of the types of contamination that can make a medical cannabis good unsafe involves pesticides, residual solvents and processing chemicals, microbiological impurities, heavy metals, and foreign material. The proposed regulations aim to set forth action levels that the BMCR considers are both protective of public health and achievable by industry. The proposed exposure limits are necessary to ensure, to the extent feasible, that no medical cannabis patient will suffer material impairment of health from exposure to contaminants in medical cannabis goods. As such, these contaminants are discussed in greater detail:

### *Chemicals*

During the cultivation and manufacturing process, injurious chemicals can contaminate medical cannabis goods. For instance, solvents are used to extract, in concentrated amounts, cannabinoids from dried flower. Some of the chemicals used as solvents may linger after the processing is finished. When present in products intended for human consumption, excessive amounts of these residual solvents and processing chemicals may pose risks to human health.

*Microbiological impurities* Some *Escherichia coli* (*E. coli*) strains can cause human disease. One strain produces a toxin called Shiga toxin, which can result in serious illness. Because of the low infectious dose required for disease causation, the bureau proposes there be zero tolerance for the presence of Shiga toxin-producing *E. coli* in medical cannabis goods.

In addition, the presence of *Salmonella* in cannabis has been documented and, in 1981, resulted in a multistate outbreak. It has also been associated with gastrointestinal disease in both healthy and in immunocompromised populations. The bureau proposes testing for all *Salmonella* strains.

There have been a number of cases involving immunocompromised people who have become ill, or died, from inhaling *Aspergillus*. *Aspergillus* is a fungus that can cause serious health problems. Certain *Aspergillus* strains can cause a variety of immune-reaction lung disorders, ranging from asthma, allergic bronchopulmonary aspergillosis, and hypersensitivity pneumonitis to invasive systemic fungal infections. The bureau proposes testing for this fungus.

#### *Mycotoxins*

Mycotoxins are toxic substances produced by certain fungi that can grow on human food and animal feed grain. Human exposure to mycotoxins, through ingestion, inhalation, and dermal contact, has been associated with severe human health impacts that include necrosis, cirrhosis, and carcinomas. The bureau proposes requiring testing for certain mycotoxins.

#### *Foreign material*

Medical cannabis products may be injurious to health if they consist in whole or in part of any filthy, putrid, or decomposed substances or is otherwise contaminated by any added poisonous or added deleterious substance. This may occur if the medical cannabis goods have been stored, prepared, or packed under unsanitary conditions.

#### *Heavy metals*

Cannabis plants are known to uptake metals from contaminated growth media (for example, soil), which increases the risk of adverse health effects associated with the consumption of medical cannabis goods. For example, exposure to lead may cause neurological, reproductive, developmental, immune, cardiovascular, and renal health effects. And mercury shows toxicological effects such as neurological, corrosive, hematopoietic, and renal effects as well as cutaneous disease (acrodyndia).

The Public Comment period for the proposed testing regulations ended on June 13, 2017.

DigiPath tests for all the pesticides, residual solvents and processing chemicals, microbiological impurities, heavy metals, and foreign material that the State has proposed. In addition, they

test for moisture residue and potency. Of course whatever the State ends up requiring, DigiPath and all other labs must comply.

DigiPath has developed a comprehensive Standard Operating Procedure Manual (SOP) that is considered a model in the industry. The SOP has protocols from obtaining samples, chain of custody, record/data information utilizing the standardized Laboratory Information Management System (LIMS), testing protocols, security, storage disposal, etc. Below is a copy of some of their protocols regarding security, storage and disposal.

**SOP-012: Lab Security Measures**

All visitors of DigiPath Labs are required to sign a Visitor's LOGBOOK with their name, purpose of visit, their entry and exit times. Every visitor to DigiPath Labs are required to wear a visitor badge and to be escorted and monitored at all times. The visitor badge will be returned upon leaving.

Security equipment is in place to deter and prevent unauthorized entrance into limited access laboratory space. Entry into the building is controlled by electronic keypads, devices are in place to detect unauthorized intrusion. Electronic monitoring includes video displays, a video printer to capture images from security surveillance cameras. Video recordings will be stored for at least 30 calendar days.

Electronic monitoring equipment has a failure notification backup system in the event of a breakdown of the system as well as battery life exceeding 5 minutes in the event of a power outage.

The electronic monitoring system has an automatic alert to local law enforcement agencies in the event of a breach of the system.

**SOP-313: Receipt and Storage of Cannabis Samples**

At DigiPath Labs, receipt and storage of cannabis samples follows DigiPath Labs **SOP-313**. First cannabis samples are identified as flower, trim, extract, edible or lotion and then bar-code labeled according to DigiPath Labs **SOP-111** to complete the Chain of Custody Form 002 following DigiPath Labs **SOP-010**. Cannabis flower or cannabis-extracted material is stored in UV-resistant containers at 4°C to prevent any degradation of inherent cannabinoid and terpene profiles prior to testing. Storage conditions are monitored by using a suitable thermometer that records the maximum and minimum temperatures during a 24-hour period. Acceptable temperature ranges should remain between 12°C and 4°C.

#### SOP-314: Destruction of Cannabis Materials

Cannabis plant samples selected for destruction will be recorded as destroyed in LIMS under DigiPath Labs **SOP-344**. /Cannabis plant material, extracts, and formulated products will be destroyed by either autoclaving (121°C under continuous pressure for 20 minutes), mixed with soil at a 1:5 ratio or higher and thrown away as normal waste, or will be assigned to in house R&D for development of extraction protocols and/or validation of new procedures which will result in the destruction of the material. All data generated from task must be documented and retained according to DigiPath Labs **SOP-344**.

Staff has conditioned the project to comply with all State regulations regarding testing laboratories. In addition, staff has conditioned the project to comply with the City's Performance Standards.

#### **(13) Performance Standards for Testing Laboratories**

- (a) Entrance to the lab area and any cannabis storage areas shall be locked at all times, and under the control of facility staff.
- (b) Medical cannabis shall be stored in a secured and locked room, vault or safe, or other secured storage structure which is bolted to the floor or structure of the premises.
- (c) Windows and roof hatches of the premises shall be secured from the inside with effective means so as to prevent unauthorized entry, and shall be equipped with latches or a similar mechanism that may be released quickly from the inside to allow exit in the event of emergency in compliance with all applicable building provisions in the California Building Code.
- (d) All laboratory testing facilities shall comply with Sections 19341 through 19345 of the California Business and Professions Code.
- (e) Comply with any special conditions applicable to that permit or parcel which may be imposed as a condition of the required Conditional Use Permit.

#### **2. General Plan Consistency**

*(b) The proposed use is consistent with the general plan and any applicable specific plan;*

The General Plan designation is also Industrial Commercial. The purpose of the Industrial Commercial designation is to provide for industrial and commercial uses. All the uses would be considered principally permitted uses if the activities did not involve cannabis. However, a pharmacy would be allowed to sell "Marinol". Marinol (dronabinol) is a man-made form of cannabis (also known as marijuana). Marinol is used to treat loss of appetite that causes weight

loss in people with AIDS. It is also used to treat severe nausea and vomiting caused by cancer chemotherapy.

The proposed distribution and packaging of any other product (i.e. vegetables, fruits, grains, meat, poultry, etc.) would be principally permitted. The extraction utilizing the same processes for lavender would also be principally permitted, as would a nursery R&D facility associated with orchids, lilies, redwood trees, etc. and testing laboratories. In fact many jurisdictions treat cannabis testing labs the same as any other type of testing lab. For example, the Leaf Detective which was considering locating in the City eventually located in Eureka as a principally permitted use.

The proposed uses are consistent with the following General Plan goal: "To promote a variety of commercial uses and allow light manufacturing in appropriate commercial areas."

There are no goals or policies which would preclude the proposed use in the Industrial Commercial designation. Therefore, the proposed use as conditioned is consistent with the General Plan.

### **3. Land Use Compatibility**

*(c) The design, location, size, and operating characteristics of the proposed activity are compatible with the existing and future land uses in the vicinity;*

Again, this required finding was made in regards to the design, location and size of the buildings as part of the Design Review approval in May. Based on the recommended conditions of approval, including the City's Performance Standards and the State regulations, staff believes the project can be found to be consistent with the existing and future land uses in the vicinity.

### **4. Site Suitability**

*(d) The site is physically suitable for the type, density and intensity of use being proposed, including access, utilities, and the absence of physical constraints;*

The project site is subject to minimal flooding. Section 17.30.140 of the RDMC requires that if a proposed building site is located in a flood zone, any proposed new construction or substantial improvement, must:

- (a) Be designed or modified and anchored to prevent flotation, collapse or lateral movement of the structures;
- (b) Use construction materials and utility equipment that are resistant to flood damage; and
- (c) Use construction methods and practices that will minimize flood damage.

In addition, to our local regulations, the project is also subject to FEMA's flood regulations (Title 44 Code of Federal Regulations, Section 61.7 and 61.8) which require that the first floor of the structure be located one foot above the Base Flood Elevation (BFE). As such a Flood Elevation Certificate is required, this identifies among other site features, the BFE and the elevation of the floor of the building. Staff conditioned the Design Review project accordingly.

Of course access to the project site is from Highway 101. In regards to access, the City commissioned a Traffic Impact Study (TIS) with W-Trans out of Santa Rosa. Based on current and future conditions, W-Trans concluded that the access to and from the Business Park is adequate. Staff has included the Executive Summary of the TIS as Attachment 2.

However Caltrans has suggested some improvements, including the expansion of the left turn pockets (queuing), acceleration and deceleration northbound lanes and southbound staging/merging areas for vehicles exiting the business park. Staff and the stakeholders met with Caltrans representatives at a recent meeting and discussed the recommended improvements and the possibility of extending the cable median/barrier through the intersections to eliminate traffic crossings. Staff has asked that Caltrans identify their preferred improvements, either the changes to the turn pockets, etc. or the installation of a cable median barrier through the intersections. Staff also requested that Caltrans identify a threshold (i.e. number of trips in and out of the Business Park) that would trigger additional improvements.

Any improvement costs will be shared among the developers based on the number of daily trips generated by their uses. The project has been conditioned accordingly. **Please refer to Exhibit A.**

The water main will need to be extended and fire hydrants provided. The applicant has commissioned plans for the water main extension and has offered to pay the costs. The costs will be shared with the other properties that will be tying into the water main. The applicant's attorney is currently crafting the language for the payback agreement. This is an agreement between the applicant and the other owners and not the City. Once completed to the satisfaction of the City, the City will assume the maintenance responsibilities.

Based on information on file, including the Traffic Impact Study and the recommended conditions of approval, staff believes the site is physically suitable for the intended uses.

## **5. Public Interest, Health, Safety and Welfare**

*(e) Granting the permit would not be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zoning district in which the property is located;*

The new construction is subject to the California Building Codes, including the California Fire Code, which includes standards to ensure that the buildings are constructed to minimum safety standards. Again, based on information on file, including the Traffic Impact Study and the

recommended conditions of approval, staff believes there is no evidence to suggest that the proposed project will be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zoning district in which the property is located.

## **6. California Environmental Quality Act**

The primary purpose of the California Environmental Quality Act (CEQA) is to inform the decision makers and the public of potential environmental effects of a proposed project. Based on the Environmental Impact Report (EIR) prepared as part of the annexation of the area into the City which analyzed potential industrial uses and the nature of the project, including the proposed operating protocols and recommended conditions of approval, staff has determined that the project is Statutorily Exempt pursuant to Section 15061(b) (3) of the CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations. Pursuant to Section 15061(b) (3) of the CEQA Guidelines this exemption is covered by the general rule that CEQA applies only to projects which have the potential for causing a *significant* effect on the environment. Based on the nature of the proposed projects, staff believes there is no evidence to suggest that the projects will have a *significant* effect on the environment.

### **Attachments:**

Attachment 1: Plan of Operations.

Attachment 2: W-Trans Traffic Impact Study Summary.

Attachment 3: Exhibit A, Conditions of Approval.

Attachment 4: Resolution No. PC 112-2017.



Draft Report

# **Traffic Impact Study for the Humboldt-Rio Dell Business Park**

in the  
City of Rio Dell

April 26, 2017

180 Mendocino Avenue Suite 117 SANTA ROSA CA 95401 707.840.8500  
30817 Shaver 217 Tech OAKLAND CA 94612 810.440.0800  
1078 Union Avenue Suite 204 SAN JOSE CA 95128 650.314.8313  
wtrans.com

## Executive Summary

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The Humboldt-Rio Dell Business Park Project would redevelop the former Eel River Sawmill site located on the east side of US 101 just north of the Eel River to provide cannabis production and distribution facilities as well as other cannabis related uses. Although the proposed uses at this time are for the most part cannabis related, it should be noted that the business park would not be limited to cannabis activities. As proposed, the project would redevelop nine of the existing 16 parcels and would have approximately 160 employees. The redevelopment has the potential to generate an average of 626 new trips per day, including 74 trips during the a.m. peak hour and 82 trips during the p.m. peak hour.

The study area includes the intersections of US 101 with Metropolitan Heights Road and Northwestern Avenue, both of which provide access to the site. Analysis indicates that the study intersections are operating acceptably under Existing conditions and are expected to continue operating at an acceptable level of service upon the addition of project-generated trips. Under anticipated Future volumes, which were calculated using Caltrans growth factors, the two study intersections are expected to continue operating acceptably with and without project-generated trips.

Northwestern Avenue, which provides primary access throughout the site, is in poor condition due to past use by logging trucks and other heavy vehicles. In order to provide adequate access to the new facilities, the City may wish to develop an impact fee for the potential developments that would cover the cost of paving the roadway and providing other improvements, such as street lighting, as deemed necessary by the City. The fee could be based on the proportional share of trips anticipated to be generated by each parcel, which was calculated as part of the analysis.

Northwestern Avenue is predominantly straight and flat throughout the project site, so while specific locations for driveways have not been determined, sight distance is not expected to be an issue. As site plans for individual parcels become available, sight distance should be field checked at proposed driveway locations to maintain sight lines of at least 150 feet along the roadway.

Queuing was analyzed to determine the adequacy of the existing southbound left-turn lanes on US 101 at the study intersections to accommodate project generated traffic. It was determined that a maximum of two vehicles would be expected to queue at Metropolitan Heights Road and one vehicle at Northwestern Avenue under Future plus Project conditions. Both left-turn lanes have space to accommodate three vehicles so the turn lanes are adequate to accommodate the projected maximum two-vehicle queue.

EXHIBIT A

Conditions of Approval  
PMD Inc. Conditional Use Permit  
File No. 205-111-021; Case No's. CUP 17-01

Conditions of Approval

1. **Security Plan:** The permittee shall modify the security plan to include the information required by Section 40200 et. seq of the California Code of Regulations. At minimum, the security plan shall include a description of the security measures to be taken to:

(a) Prevent access to the premises by unauthorized personnel and protect the physical safety of employees. This includes, but is not limited to:

(1) Establishing physical barriers to secure perimeter access and all points of entry into a manufacturing premises (such as locking primary entrances with commercial-grade, non-residential door locks, or providing fencing around the grounds, driveway, and any secondary entrances including windows, roofs, or ventilation systems);

(2) Installing a security alarm system to notify and record incident(s) where physical barriers have been breached;

(3) Establishing an identification and sign-in/sign-out procedure for authorized personnel, suppliers, and/or visitors;

(4) Maintaining the premises such that visibility and security monitoring of the premises is possible; and

(5) Establishing procedures for the investigation of suspicious activities.

(b) Prevent against theft or loss of cannabis and cannabis products. This includes but is not limited to:

(1) Establishing an inventory system to track cannabis material and the personnel responsible for processing it throughout the manufacturing process;

(2) Limiting access of personnel within the premises to those areas necessary to complete job duties, and to those time-frames specifically scheduled for completion of job duties;

(3) Supervising tasks or processes with high potential for diversion (including the loading and unloading of cannabis transportation vehicles); and

(4) Providing designated areas in which personnel may store and access personal items.

(c) Secure and back up electronic records in a manner that prevents unauthorized access and that the integrity of the records is maintained.

## **2. Records and Reporting**

Record Retention. The term record includes: all records, applications, reports or other supporting documents required by the City and the State.

(a) Each permittee shall keep and maintain the records listed in subsection (e) for at least 7 years from the date the document was created.

(b) Records shall be kept in a manner that allows the records to be immediately produced for the City at the permitted premises.

(c) All records related to commercial cannabis activity are subject to inspection by the City.

(d) A permittee may contract with a third party to provide custodial or management services of the records. Such a contract shall not relieve the licensee of its responsibilities under this condition.

(e) Each permittee shall maintain all of the following records on the licensed premises or at a different location identified by the licensee and approved by the City, including but not limited to:

(1) City and State issued permits and license(s);

(2) Plan of Operations;

(3) All records evidencing compliance with the environmental protection measures required in Sections 8313, 8314, and 8315 of the California Code of Regulations;

(4) Any supporting documentation for data or information input into the track-and-trace system;

(5) Financial records, including but not limited to, bank statements, tax records, invoices, and sales receipts;

(6) Personnel records, including each employee's full name, social security, or individual tax payer identification number, date of beginning employment, and date of termination of employment if applicable;

(7) Training records, including but not limited to the content of the training provided and the names of the employees that received the training;

(8) Contracts with other state licensed medical cannabis businesses;

(9) Permits, licenses, and other local authorizations to conduct the licensee's commercial cannabis activity;

(10) Security records; and

(11) Records associated with the composting or disposal of waste.

(f) All required records shall be prepared and retained in accordance with the following conditions:

(1) Records shall be legible; and

(2) Records shall be stored in a secured area where the records are protected from debris, moisture, contamination, hazardous waste, fire and theft.

### **3. Background Checks**

Owner(s) or employee(s) who makes or will make operational or management decisions that directly impact the business shall consent to a background check pursuant to Section 19322(a)(1)(A) of the Business and Professions Code, including submitting to the Department of Justice fingerprint images and related information required by the Department of Justice for the purpose of obtaining information as to the existence and content of a record of State or Federal convictions and arrests, and information as to the existence and content of a record of State and Federal convictions and arrests for which the Department of Justice establishes that the person is free on bail or on his or her own recognizance, pending trial or appeal. The applicant shall be responsible for the costs associated with the required background check.

(i) No Owner or employee who makes or will make operational or management decisions that directly impact the business shall have been convicted of an offense, or is currently free on bail or on his or her own recognizance pending trial or appeal for an offense, that is substantially related to the qualifications, functions,

or duties of the business or profession for which the application is made, including but not be limited to, the following:

- (A) A felony conviction for the illegal possession for sale, manufacture, transportation, or cultivation of a controlled substance;
- (B) A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code.
- (C) A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code.
- (D) A felony conviction involving fraud, deceit, or embezzlement.

**4. Health and Wellness Center:** The applicant shall comply with the Performance Standards in Section 17.30.195(14) of the Rio Dell Municipal Code (RDMC).

**5. Processing and Distribution:** The applicant shall comply with all State regulations regarding processing, packaging and distribution, including packaging and labeling.

**6. Manufacturing:** The applicant shall comply with the Performance Standards in Section 17.30.195(12) of the Rio Dell Municipal Code (RDMC) and any applicable State regulations.

**7. Nursery:** The applicant shall comply with the Cultivation Performance Standards in Section 17.30.195(10) of the Rio Dell Municipal Code (RDMC) and any applicable State regulations.

**8. Laboratory:** The applicant shall comply with the Testing Laboratories Performance Standards in Section 17.30.195(13) of the Rio Dell Municipal Code (RDMC) and any applicable State regulations.

**9. Community Relations:** Each medical cannabis facility shall provide the City Manager or designee with the name, phone number, facsimile number, and email address of an on-site community relations or staff person or other representative to whom the City can provide notice if there are operating problems associated with the medical cannabis facility or refer members of the public who may have any concerns or complaints regarding the operation of the medical cannabis facility. Each medical cannabis facility shall also provide the above information to its business neighbors located within 300 feet of the medical cannabis facility.

**10. Inspections:** Consent to a minimum of at least one quarterly on-site compliance inspection, to be conducted by appropriate City officials during regular business hours (Monday

– Friday, 9:00 am – 5:00 pm, excluding holidays). The applicant shall be required to pay the Inspection Fee in effect at that time.

**11. Highway 101, Metropolitan Heights and Northwestern Intersection Improvements:** Any required improvement costs to the Highway 101 and Metropolitan Heights and Northwestern Intersections will be shared among the developers based on the number of daily trips generated by their uses.

**12.** The applicant shall execute the Release of Liability and Hold Harmless Agreement required by Section 17.30.195(4) of the Rio Dell Municipal Code (RDMC).

RESOLUTION NO. PC 112-2017



**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF RIO DELL  
APPROVING THE PMD CANNABIS ACTIVITY CONDITIONAL USE PERMIT.**

**WHEREAS** PMD Incorporated (Glen White Group) has submitted an application for a Cannabis Activity Conditional Use Permits on a 3.5+/- acre parcel located at the Humboldt Rio Dell Business Park; and

**WHEREAS** Building one (1), the northerly building will include four (4) units of retail commercial use, including a Holistic Spa, a Health and Wellness Center, a retail clothing store and a coffee bistro. It will be a one (1) story building, 7,200 sq. ft. w/2400 sq. ft. mezzanine. The Health and Wellness Center will be providing the holistic and therapeutic application and *sales of medical cannabis products, including oils, tinctures, sublingual's, creams, lotions, pills, suppositories, cosmetics, etc.* The sale of flowers, trim, leaf or cannabis infused edibles are not allowed; and

**WHEREAS** building two (2) the middle building will be used for a commercial medical cannabis warehouse, distribution and packaging facility. It too will be a one (1) story building, 10,141 sq. ft. w 3,210 sq. ft. mezzanine; and

**WHEREAS** building three (3), the southerly building will include a cannabis testing laboratory (DigiPath), a concentrate manufacturing facility manufacturing oils, tinctures, sublingual's, creams, lotions, cosmetics, etc. The oils will be made utilizing volatile materials (i.e. hexane, butane and Dimethylether). The manufacturing of the oils and storage of volatile materials will be done in spark-proof blast rooms designed and built by Parkline Industries. Building three (3) will also include the research and development of cannabis medicinal products, a tissue culturing operation and associated plant nursery; and

**WHEREAS** the Commercial Medical Cannabis Land Use Ordinance (CMCLUO), Section 17.30.195 allows medical cannabis facilities in the Sawmill Annexation area with a Conditional Use Permit. As such, the proposed uses are allowed; and

**WHEREAS** The buildings were evaluated for compliance with the development standards of the Industrial Commercial (IC) zone, including setbacks, lot coverage, building height, parking, design review, landscaping etc. as part of the Design Review approval; and

**WHEREAS** the purpose of the Industrial Commercial zone is to provide for industrial and commercial uses; and

**WHEREAS** based on the information submitted, staff recommends that the proposed uses be found to be consistent with the development standards of the Industrial Commercial (IC) zone and the Commercial Medical Cannabis Land Use Ordinance, Section 17.30.195 and the Use Permit requirements of Section 17.35.030 of the Rio Dell Municipal Code; and

**NOW, THEREFORE, BE IT RESOLVED** that the Planning Commission of the City of Rio Dell finds that *as conditioned*:

**WHEREAS** The proposed use is consistent with the general plan and any applicable specific plan; and

**WHEREAS** The design, location, size, and operating characteristics of the proposed activity are compatible with the existing and future land uses in the vicinity; and

**WHEREAS** the site is physically suitable for the type, density and intensity of use being proposed, including access, utilities, and the absence of physical constraints

**WHEREAS** granting the permit would not be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zoning district in which the property is located; and

**WHEREAS** the proposed project has been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act (CEQA);.

**I HEREBY CERTIFY** that the forgoing Resolution was PASSED and ADOPTED at a regular meeting of the Planning Commission of the City of Rio Dell on June 27, 2017 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Nick Angeloff, Chairperson

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Resolution No. PC 112-2017 adopted by the Planning Commission of the City of Rio Dell on June 27, 2017.

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Karen Dunham, City Clerk, City of Rio Dell

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675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532



For Meeting of: June 27, 2017

To: Planning Commission

From: Kevin Caldwell, Community Development Director 

Through: Kyle Knopp, City Manager

Date: June 22, 2017

Subject: GreenHeart Enterprises LLC. Conditional Use Permit  
File No. 205-111-075; Case No. CUP 17-02

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**Recommendation:**

That the Planning Commission:

1. Receive staff's report regarding the proposed Conditional Use Permit;
2. Open the public hearing, receive public input, close the public hearing and deliberate;
3. Assuming that public testimony is substantially in support of the proposal, find that:
  - (a) The proposed use is allowed within the applicable zoning district and complies with all other applicable provisions of this title and all other City ordinances;
  - (b) The proposed use is consistent with the general plan and any applicable specific plan;
  - (c) The design, location, size, and operating characteristics of the proposed activity are compatible with the existing and future land uses in the vicinity;

(d) The site is physically suitable for the type, density and intensity of use being proposed, including access, utilities, and the absence of physical constraints;

(e) Granting the permit would not be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zoning district in which the property is located; and

(f) The Conditional Use Permit has been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act (CEQA);

4. Adopt Resolution No. PC 113-2017 approving the Conditional Use Permit, subject to the Conditions of Approval, Exhibit A.

### **Background**

GreenHeart Enterprises LLC. (Tyler Roberts) has made application for a Conditional Use Permit for Medicinal Cannabis operations, including Manufacturing oils/concentrates, Indoor Cultivation and a Distribution and Processing Facility within a 19,200 square foot two story building.

Attachment 1 includes the Plan of Operations for the proposed uses. The Plan of Operations addresses, employees, traffic, security, waste management, etc. As the Planning Commission is aware, the buildings and the landscaping were approved at your meeting of May 23, 2017.

The security plan includes up to 128 closed circuit cameras strategically placed on the outside and inside of the building to monitor and record all activities inside and outside the building. An alarm system will be installed on site. Alarm buttons will be placed throughout the facility.

The applicants intend to cooperate with other businesses nearby to employ a roving armed guard. The front door will always be locked and employees will need to be buzzed in. The distribution suite will have a heavy duty steel door with biometric lock and cameras providing constant oversight. They are also proposing to fence the site.

The State is in the final stages of adopting regulations for cannabis businesses. Once adopted, local businesses are required to comply with both the State and local regulations.

### **Required Findings/Staff Analysis**

#### **Section 17.35.030 Rio Dell Municipal Code (RDMC) Conditional Use Permits.**

##### **1. Zoning Consistency**

*(a) The proposed use is allowed within the applicable zoning district and complies with all other applicable provisions of this title and all other City ordinances;*

**Land Use:** The property is zoned Industrial Commercial (IC). The purpose of the Industrial Commercial zone is to provide for industrial and commercial uses. The applicant is proposing a manufacturing facility utilizing volatile and non-volatile methods of extraction, 10,000+/- square feet of indoor cultivation, including a clone/vegetation propagation room, a 1,000 square foot drying room and a 500 square foot processing/trimming room, a 1,200 square foot secured storage area with an ancillary office, lobby, bathrooms and locker room with shower facilities.

The Type 7 volatile manufacturing will occur in a 40' x 25' spark proof, blast proof suite. The suite will be used for multiple extraction methods, volatile and nonvolatile. Proposed volatile manufacturing systems are as follows: N-butane close loop extraction system (*Pressurized Solvent-Based Extraction*), organic ethanol rotary evaporation system, short path distillation system, and short path wiped film distillation systems (*Distillate*). Please see attachment #1 for a further description of these systems. These methods generally run in combination with subsidiary equipment such as various vacuum pumps, recirculating chillers, refrigerant recovery pumps, vacuum ovens, compressors, and jacketed reactors. The manufacturing and subsidiary equipment will be certified by ASME, ANSI, UL or ASTM.

All packaging and weighing will be done on site by the manufacturer as per CDHP regulations. A THC testing lab will be created on site to allow the manufacturer faster and more economical THC test results. The manufacturer understands that the product will require additional testing by a third party fully licensed lab.

MSDS packets will be on site and available for inspection at any point. The following chemicals will be used in the manufacturing processes: *N-butane, organic ethanol, isopropanol, N-hexane, pentane, ISO-butane, propane, and nitrogen*. Future industry trends may force the use of additional chemicals. In such a case we will notify the city of our intention to include new chemicals in or process, and usage will only occur after approval.

Chemicals will be stored in an engineered chemical storage box in accordance with state and local regulations and employees will be properly trained in the safe storage, and handling of stated chemicals.

Methods for nonvolatile manufacturing are as followed: *Pressing, CO2 (Pressurized Solvent-Based Extraction)*, dry sifting, tumbling, and cold water extraction.

The Commercial Medical Cannabis Land Use Ordinance (CMCLUO), Section 17.30.195 allows medical cannabis facilities in the Sawmill Annexation area with a Conditional Use Permit. As such, the proposed uses are allowed.

Section 17.30.195(9)(i) requires that owners and employees who make operational or management decisions content to a back ground check. The project has been conditioned accordingly. **Please refer to Exhibit A, Attachment 3.**

The buildings were evaluated for compliance with the development standards of the Industrial Commercial (IC) zone, including setbacks, lot coverage, building height, parking, design review, landscaping etc. as part of the Design Review approval.

Based on the information submitted, staff recommends that the proposed uses be found to be consistent with the development standards of the Industrial Commercial (IC) zone and the Commercial Medical Cannabis Land Use Ordinance, Section 17.30.195 of the Rio Dell Municipal Code.

### **Performance Standards**

#### **Processing and Distribution**

Building two will include processing, packaging and distribution activities for products produced on-site and off-site. As required, the submitted Plan of Operations includes security provisions, including a biometric 500 square foot storage/vault area with a fire rated steel door, material and waste management provisions, the use of carbon filter fans to eliminate any potential odors associated with the

The State will also require a security plan as well. Below are the State's required security plan regulations. The project is conditioned to comply with the State's requirements as well.

**§40200. Security Plan.** Every applicant and licensee shall develop and implement a security plan. At minimum, the security plan shall include a description of the security measures to be taken to:

(a) Prevent access to the manufacturing premises by unauthorized personnel and protect the physical safety of employees. This includes, but is not limited to:

(1) Establishing physical barriers to secure perimeter access and all points of entry into a manufacturing premises (such as locking primary entrances with commercial-grade, non-residential door locks, or providing fencing around the grounds, driveway, and any secondary entrances including windows, roofs, or ventilation systems);

(2) Installing a security alarm system to notify and record incident(s) where physical barriers have been breached;

(3) Establishing an identification and sign-in/sign-out procedure for authorized personnel, suppliers, and/or visitors;

(4) Maintaining the premises such that visibility and security monitoring of the premises is possible; and

(5) Establishing procedures for the investigation of suspicious activities.

(b) Prevent against theft or loss of cannabis and cannabis products. This includes but is not limited to:

(1) Establishing an inventory system to track cannabis material and the personnel responsible for processing it throughout the manufacturing process;

(2) Limiting access of personnel within the premises to those areas necessary to complete job duties, and to those time-frames specifically scheduled for completion of job duties;

(3) Supervising tasks or processes with high potential for diversion (including the loading and unloading of cannabis transportation vehicles); and

(4) Providing designated areas in which personnel may store and access personal items.

(c) Secure and back up electronic records in a manner that prevents unauthorized access and that the integrity of the records is maintained.

The State also has packaging and labeling requirements for cannabis products and nonmanufactured cannabis products. "Nonmanufactured cannabis product" means dried flower, shake, leaf, and pre-rolls intended to be sold for use by medical cannabis patients. Below is a copy of the State's packaging and labeling requirements. The labeling and packing requirements for cannabis products, which includes everything except nonmanufactured cannabis products, are virtually the same.

#### **Packaging Cannabis Products for Distribution.**

A package used to contain a cannabis product shall adhere to the following requirements:

(a) The package shall protect the product from contamination and shall not expose the product to any toxic or harmful substance;

(b) The package shall be tamper-evident, which means that the product is packaged in a container within which a product is sealed so that the contents cannot be opened without obvious destruction of the seal; and

(c) The package shall not imitate any package used for products typically marketed to children.

### Labeling Cannabis Products for Distribution.

The following labeling requirements shall be implemented within 180 days of licensure, or by December 31, 2018, whichever is sooner:

- (a) Any information required to be listed on a label shall be written in English;
- (b) Label and all required label information shall be unobstructed and conspicuous;
- (c) The label shall be in a text size no less than 6 point font and be in relation to the size of the container; and
- (d) The label shall include the following information:
  - (1) The applicable requirements of Section 19347 of Business and Professions Code;
  - (2) The net weight of the contents in the package; and
  - (3) The unique identifier assigned by the track-and-trace system as required by Section 8402 of this Chapter.

### Manufacturing

The applicants are proposing a State Type 7 manufacturing facility. Please refer to the Plan of Operation. A Type 7 license allows for extractions using volatile solvents, nonvolatile solvents or mechanical methods. "Volatile solvent" means any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures. Examples of volatile solvents include but are not limited to, butane, hexane, propane, and ethanol. "Nonvolatile solvent" means any solvent used in the extraction process that is not a volatile solvent. The State considers carbon dioxide a nonvolatile solvent.

Again, the Type 7 volatile manufacturing will occur in a 40' x 25' spark proof, blast proof suite. The suite will be used for multiple extraction methods, volatile and nonvolatile. Proposed volatile manufacturing systems are as follows: N-butane close loop extraction system (*Pressurized Solvent-Based Extraction*), organic ethanol rotary evaporation system, short path distillation system, and short path wiped film distillation systems (*Distillate*). Please see attachment #1 for a further description of these systems. These methods generally run in combination with subsidiary equipment such as various vacuum pumps, recirculating chillers, refrigerant recovery pumps, vacuum ovens, compressors, and jacketed reactors. The manufacturing and subsidiary equipment will be certified by ASME, ANSI, UL or ASTM.

All packaging and weighing will be done on site by the manufacturer as per CDHP regulations. A THC testing lab will be created on site to allow the manufacturer faster and more economical

THC test results. The manufacturer understands that the product will require additional testing by a third party fully licensed lab.

MSDS packets will be on site and available for inspection at any point. The following chemicals will be used in the manufacturing processes: *N-butane, organic ethanol, isopropanol, N-hexane, pentane, ISO-butane, propane, and nitrogen*. Future industry trends may force the use of additional chemicals. In such a case we will notify the city of our intention to include new chemicals in or process, and usage will only occur after approval.

Chemicals will be stored in an engineered chemical storage box in accordance with state and local regulations and employees will be properly trained in the safe storage, and handling of stated chemicals.

Methods for nonvolatile manufacturing are as followed: *Pressing, CO2 (Pressurized Solvent-Based Extraction)*, dry sifting, tumbling, and cold water extraction.

A Type 7 licensee may also conduct infusion operations. "Infusion" means a process by which cannabis, cannabinoids, cannabis concentrates, or manufactured cannabis are directly incorporated into a product formulation to produce a cannabis product. The applicants will be infusing creams, lotions and other similar products. The applicants are not are not proposing manufacturing edibles at this time.

**(12) Performance Standards for Manufacturing Activities:**

- (a) Compliance with CAL/OSHA, OSHA regulations.
- (b) Compliance with State and local building regulations, including the California Building Code (CBC) and the California Fire Code (CFC).
- (c) A Security Plan that addresses how the following measures shall be implemented or complied with:
  - (i) Entrance to the extraction areas and any cannabis storage areas shall be locked at all times, and under the control of facility staff.
  - (ii) Medical cannabis shall be stored in buildings that are completely enclosed, and in a locked vault or safe, or other secured storage structure which is bolted to the floor or structure of the premises.
  - (iii) Windows and roof hatches of the premises shall be secured from the inside with effective means so as to prevent unauthorized entry, and shall be equipped with latches or a similar mechanism that may be released quickly from the inside to allow exit in the event of emergency in compliance with all applicable building provisions in the Code.

- (d) If using CO<sub>2</sub> in processing, a professional grade closed-loop CO<sub>2</sub> gas extraction system rated to a minimum of fifteen thousand (15,000) pounds per square inch (PSI) is required for every vessel in the system.
- (e) Extraction processes shall use a commercially manufactured professional grade closed-loop extraction system designed to recover the solvents and built to codes of recognized and generally accepted sound engineering practices, such as (i) The American Society of Mechanical Engineers (ASME); (ii) American National Standards Institute (ANSI); (iii) Underwriters Laboratories (UL); or (iv) The American Society for Testing and Materials (ASTM).
- (f) Volatile extraction operations shall occur in a spark-proof, explosion-proof room equipped with evacuation fans and lower explosive limit (LEL) detectors.
- (g) Carbon filter fans or equivalent superior filters/scrubbers shall be required to eliminate odor discharges to neighboring properties.
- (h) A Waste Management/Disposal Plan shall be submitted describing any produced wastes, including by-products, recycling, reusing, recovery, storage, diversion and handling and disposal.
- (i) Manufacturers of edibles shall comply with the regulations in the California Health and Safety Code, which includes the California Retail Food Code administered by the California Department of Health Services - Food and Drug Branch, California Department of Food and Agriculture and the County Department of Environmental Health.
- (j) Comply with any special conditions applicable to that permit or parcel which may be imposed as a condition of the required Conditional Use Permit.

The applicants Plan of Operation demonstrates compliance with the adopted performance standards. The project is recommended to be conditioned to ensure compliance.

### **Cultivation**

Again, the applicants are proposing, 10,000+/- square feet of indoor cultivation, including a clone/vegetation propagation room, a 1,000 square foot drying room and a 500 square foot processing/trimming room. The CMCLUO allows up to 22,000 square feet of indoor cultivation, which requires a Type 3 license from the State.

The project is subject to the City's Performance Standards identified in Section 17.30.195(10) of the RDMC and the State regulations when adopted. The project has been conditioned accordingly. **Please refer to Exhibit A, Attachment 3.** At this time the State is proposing that 48% of the required electricity for indoor cultivation must come from a renewable resource. If that is not possible, cultivators will be able to purchase carbon credits.

The Plan of Operations addresses and complies with the required submittal and operational requirements of the CMCLUO, including a security plan, a waste management and disposal plan. The project is recommended to be conditioned to ensure compliance.

## **2. General Plan Consistency**

*(b) The proposed use is consistent with the general plan and any applicable specific plan;*

The General Plan designation is also Industrial Commercial. The purpose of the Industrial Commercial designation is to provide for industrial and commercial uses. All the uses would be considered principally permitted uses if the activities did not involve cannabis.

The proposed cultivation, distribution and packaging of any other product (i.e. vegetables, fruits, mushrooms, hops, etc.) would be principally permitted. The extraction utilizing the same processes for lavender would also be principally permitted. Staff understands that the Humboldt Creamery utilizes a volatile process in their manufacturing as does the distillery in Fortuna.

The proposed uses are consistent with the following General Plan goal: "To promote a variety of commercial uses and allow light manufacturing in appropriate commercial areas."

There are no goals or policies which would preclude the proposed use in the Industrial Commercial designation. Therefore, the proposed use as conditioned is consistent with the General Plan.

## **3. Land Use Compatibility**

*(c) The design, location, size, and operating characteristics of the proposed activity are compatible with the existing and future land uses in the vicinity;*

Again, this required finding was made in regards to the design, location and size of the buildings as part of the Design Review approval in May. Based on the recommended conditions of approval, including the City's Performance Standards and the State regulations, staff believes the project can be found to be consistent with the existing and future land uses in the vicinity.

## **4. Site Suitability**

*(d) The site is physically suitable for the type, density and intensity of use being proposed, including access, utilities, and the absence of physical constraints;*

The project site is subject to minimal flooding. Section 17.30.140 of the RDMC requires that if a proposed building site is located in a flood zone, any proposed new construction or substantial improvement, must:

- (a) Be designed or modified and anchored to prevent flotation, collapse or lateral movement of the structures;
- (b) Use construction materials and utility equipment that are resistant to flood damage; and
- (c) Use construction methods and practices that will minimize flood damage.

In addition, to our local regulations, the project is also subject to FEMA's flood regulations (Title 44 Code of Federal Regulations, Section 61.7 and 61.8) which require that the first floor of the structure be located one foot above the Base Flood Elevation (BFE). As such a Flood Elevation Certificate is required, this identifies among other site features, the BFE and the elevation of the floor of the building. Staff conditioned the Design Review project accordingly.

Of course access to the project site is from Highway 101. In regards to access, the City commissioned a Traffic Impact Study (TIS) with W-Trans out of Santa Rosa. Based on current and future conditions, W-Trans concluded that the access to and from the Business Park is adequate. Staff has included the Executive Summary of the TIS as Attachment 2.

However Caltrans has suggested some improvements, including the expansion of the left turn pockets (queuing), acceleration and deceleration northbound lanes and southbound staging/merging areas for vehicles exiting the business park. Staff and the stakeholders met with Caltrans representatives at a recent meeting and discussed the recommended improvements and the possibility of extending the cable median/barrier through the intersections to eliminate traffic crossings. Staff has asked that Caltrans identify their preferred improvements, either the changes to the turn pockets, etc. or the installation of a cable median barrier through the intersections. Staff also requested that Caltrans identify a threshold (i.e. number of trips in and out of the Business Park) that would trigger additional improvements.

Any improvement costs will be shared among the developers based on the number of daily trips generated by their uses. The project has been conditioned accordingly. **Please refer to Exhibit A.**

The water main will need to be extended and a fire hydrant provided. The Design Review CUP conditioned the project accordingly.

Based on information on file, including the Traffic Impact Study and the recommended conditions of approval, staff believes the site is physically suitable for the intended uses.

## 5. Public Interest, Health, Safety and Welfare

*(e) Granting the permit would not be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zoning district in which the property is located;*

The new construction is subject to the California Building Codes, including the California Fire Code, which includes standards to ensure that the buildings are constructed to minimum safety standards. Again, based on information on file, including the Traffic Impact Study and the recommended conditions of approval, staff believes there is no evidence to suggest that the proposed project will be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zoning district in which the property is located.

## 6. California Environmental Quality Act

The primary purpose of the California Environmental Quality Act (CEQA) is to inform the decision makers and the public of potential environmental effects of a proposed project. Based on the Environmental Impact Report (EIR) prepared as part of the annexation of the area into the City which analyzed potential industrial uses and the nature of the project, including the proposed operating protocols and recommended conditions of approval, staff has determined that the project is Statutorily Exempt pursuant to Section 15061(b) (3) of the CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations. Pursuant to Section 15061(b) (3) of the CEQA Guidelines this exemption is covered by the general rule that CEQA applies only to projects which have the potential for causing a *significant* effect on the environment. Based on the nature of the proposed projects, staff believes there is no evidence to suggest that the projects will have a *significant* effect on the environment.

### Attachments:

Attachment 1: Plan of Operations.

Attachment 2: W-Trans Traffic Impact Study Summary.

Attachment 3: Exhibit A, Conditions of Approval.

Attachment 4: Resolution No. PC 113-2017.

Zenith Brands Cultivation / Manufacturing Plan of Operations and  
Greenheart LLC Project Description



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Zenith Brands: Plan of Operations; as required by Section 17.30.195  
Medical Cannabis Commercial Land Use Regulations For the City of Rio  
Dell, California

(i) Project Description

*Layout and Cultivation:*

The parcel where all construction and operations will occur is located at the southern end of the Rio Dell Cannabis Business Park. Our facility will be a newly constructed 9,600 ft<sup>2</sup> two-story warehouse used for the production of high quality cannabis flower and cannabis products. A majority of this space will be used for cultivation. The first floor will include two flower rooms equaling 3,300ft<sup>2</sup> of canopy, a volatile and nonvolatile extraction suite, storage and distribution office, a lobby, ADA compliant bathrooms with showers, and a 1,200 ft<sup>2</sup> storage bay. The upstairs will include two flower rooms totaling 3,000 ft<sup>2</sup> of canopy, a 1,200 ft<sup>2</sup> propagation room, a drying room, and a processing room.

*Manufacturing:*

The *Type 7* manufacturing facility will consist of a 40' x 25' spark proof, blast proof suite. The room will meet California's volatile manufacturing regulations to provide a safe work environment for employees and reduce the risk of accidents.

The suite will be used for multiple extraction methods, volatile and nonvolatile. Proposed volatile manufacturing systems are as follows: N-butane close loop extraction system (*Pressurized Solvent-Based Extraction*), organic ethanol rotary evaporation system, short path distillation system, and short path wiped film distillation systems (*Distillate*). Please see attachment #1 for a further description of these systems. These methods generally run in combination with subsidiary equipment such as various vacuum pumps, recirculating chillers, refrigerant recovery pumps, vacuum ovens, compressors, and jacketed reactors. The manufacturing and subsidiary equipment will be certified by ASME, ANSI, UL or ASTM.

All packaging and weighing will be done on site by the manufacturer as per CDHP regulations. A THC testing lab will be created on site to allow the manufacturer faster and more economical THC test results. The manufacturer understands that the product will require additional testing by a third party fully licensed lab.

MSDS packets will be on site and available for inspection at any point. The following chemicals will be used in our manufacturing processes: *N-butane, organic ethanol, isopropanol, N-hexane, pentane, ISO-butane, propane, and nitrogen*. Future industry trends may force the

use of additional chemicals. In such a case we will notify the city of our intention to include new chemicals in or process, and usage will only occur after approval.

Chemicals will be stored in an engineered chemical storage box in accordance with state and local regulations and employees will be properly trained in the safe storage, and handling of stated chemicals.

Methods for nonvolatile manufacturing are as followed: *Pressing, co2 (Pressurized Solvent-Based Extraction)*, dry sifting, tumbling, and cold water extraction.

#### *Employees and Hours*

The manufacturing facility is currently expecting to employ 4 to 6 individuals. All employees will be required to stay current on safety protocols which will cover proper chemical handling and what to do in a hazardous situation.

The estimated number of employees on site for cultivation and processing will be between five and fifteen. It is our goal to provide reasonable daytime working hours for all employees, however the hours of operation are yet to be precisely determined. Due to the nature of cultivating cannabis it is possible for hours to be in flux. The operational duration is permanent, with cultivation occurring at all times and processing, packaging, and or manufacturing taking place intermittently dependent on harvest timings and the availability of raw materials sourced from outside our facility.

#### **(ii) Traffic and Deliveries**

Based on our projected cultivation schedule there is a possibility of requiring up to two supply deliveries in a twenty day period. One for growth substrate and one for fertilizers and miscellaneous cultivation supplies.

Trash and recycling services will be required for waste such as food and shipping materials.

A waste disposal truck will be needed to remove used rockwool. Rockwool removal will be necessary concurrent with our 20-25 day rotational cultivation schedule.

Chemical deliveries for manufacturing will require about one delivery per week. Delivery schedule of carbon dioxide for cultivation will be determined by available tank sizes and final cultivation design.

Removal of chemical wastes and stored runoff may be required intermittently. We do not foresee a significant traffic increase due to this necessity.

Employees will account for the majority of traffic. Most days will require going and coming of five vehicles. Periods of high workload may require up to 10 additional employees for a total of 15

vehicles. These periods of increased traffic will occur cyclically in intervals of 20 to 25 days with a duration of one to three days.

In summary, up to six trucks may deliver materials and or remove waste in a 20-25 day period, and employee traffic will typically include five vehicles but may exceed 10.

### **(iii) Security**

We plan on implementing an extremely robust security system including up to 128 cameras with capability to livestream, record, and store digital video. An alarm system will be installed on site. Alarm buttons will be placed throughout the facility. We intend to cooperate with other businesses nearby to employ a roving armed guard.

The front door will always be locked and employees will need to be buzzed in. The distribution suite will have a heavy duty steel door with biometric lock and cameras providing constant oversight. We would like to add a fence pending review board opinion. Our goal is to make this as secure as possible, not only to protect our investment, but also for the well being of the public and law enforcement officers.

### **(iv) Waste Management**

As stated in section (ii), our operation will generate both nutrient enriched water runoff and expired growing media.

#### *Runoff*

Runoff will include water with added fertilizer. All fertilizers we intend to use are CDFA approved <https://apps1.cdfa.ca.gov/fertilizerproducts/>. Listed below are the products most used in our nutritional regimen:

FloraBloom:

*Derived from: Magnesium Carbonate, Magnesium Phosphate, Magnesium Sulfate, Phosphoric Acid, Potassium Carbonate, Potassium Phosphate, and Potassium Sulfate.*

FloraGro:

*Derived from: Ammonium Phosphate, Magnesium Carbonate, Magnesium Nitrate, Magnesium Sulfate, Potassium Carbonate, Potassium Nitrate, Potassium Phosphate, and Potassium Sulfate.*

FloraMicro:

*Derived from: Ammonium Molybdate, Ammonium Nitrate, Calcium Carbonate, Calcium Nitrate, Cobalt Nitrate, Copper EDTA, Iron DTPA, Iron EDDHA, Iron EDTA, Manganese EDTA, Potassium Borate, Potassium Nitrate, and Zinc EDTA.*

We are considering three possible strategies for runoff disposal. The first is the use of a leach field. If the leach field is for some reason deemed unacceptable we will consider either storing and trucking all runoff, or utilizing an evaporation tank to reduce traffic and runoff disposal costs.

#### *Rockwool*

The facility will also generate used rockwool. This is a single use media. We hope to work with local facilities and the manufacturer in order to start a composting program that will effectively dispose of this material.

#### *Cannabis Waste*

Current proposed cultivation regulations require storage and tracking of cannabis waste. For this reason we will be including a waste storage room either inside the warehouse located in the storage bay area, or outside the warehouse in a locked, surveyed, and alarmed storage container. This is pending requirement by the state.

#### *Chemical Waste & Safety*

All employees exposed to chemicals of any kind will be required to wear personal protective equipment including but not limited to gloves, respirators, goggles, rubber boots, lab coats and or coveralls. Material Safety Data Sheets for all chemicals will be laminated and posted. We will also store this information in binders that are easily accessible to the staff. Information on symptoms of overexposure will be prominently displayed in lab areas. Eye rinse and shower stations will be included in manufacturing space where laboratory procedure will be carried out. Chemical spill kits will be available on site. Spills will be soaked up using commercial grade absorbent such as vermiculite, and then stored and labeled for proper disposal. Chemical spill protocol will be developed on site and all employees will be required to demonstrate adequate knowledge of safety protocols.

All chemical waste generated by manufacturing will be stored for disposal based on recommendations per chemical basis made by the Humboldt County Environmental Health Division.

## (v) Fertilizer and Pesticide/Fungicide Storage

### *Storage*

Fertilizer, excepting amounts currently in use, will be stored in a designated space separate from cultivation rooms. All storage will be located in the loading and storage bay on the first floor.

Storage of pesticides and fungicides shall be in compliance with the manufacturer's recommendations and regulations administered by the State Department of Pesticide Regulation. Storage, transport and use shall be determined by Division 6, Chapter 3, Subchapter 2, Article 4 of the California Code of Regulations.

A locked cabinet or closet will be utilized for storage of pesticides and fungicides. Any liquid pesticide or fungicide stored in a container of 55 gallons or larger will necessitate a locking lid. Additional spill precautions will take the form of an impermeable plastic or rubber layer that will include a sizeable lip so as to deter the spread of spilled chemicals beyond the storage space.

Hazardous materials and waste will be disposed of as dictated by the Humboldt County Environmental Health Division. Consultation with the The Certified Unified Program Agency will be done prior to purchase or disposal of any chemicals or potentially hazardous materials.

Any solvents used in cultivation, processing, or manufacturing of concentrates shall be stored in a fashion similar to pesticides, with additional cautions taken if needed based on solvent specifics.

Manufacturing chemicals will be kept in approved rated storage containers. All waste will be similarly stored based on recommendations made by the Humboldt County Environmental Health Division.

### *Pest Management*

Currently our pest management strategies utilize non toxic OMRI listed products and simple cultural practices. Chemicals sprayed on plants include Potassium Bicarbonate (Green Cure), Azadirachtin which is a neem derivative (Azamax, BIONeem, Azatrol), Neem oil, and other biological fungicides or insecticides as required.

Cultural practices to reduce likelihood of pest contamination will include clothing management and hygiene. Employees will be required to keep work clothing on site in locker rooms. These clothes can be laundered at our facility or through a third party. Employees will be required to shower prior to entering cultivation rooms in order to remove pests from hair and body.

Cleaning of surfaces including benches, floors, and tools may be done using dilute hydrogen peroxide, Hydrogen Dioxide, Peroxyacetic Acid / Peracetic Acid PAA (Zerotol).

As California moves forward with regulations, we will adjust our chemical usage as required. Currently there is no known conflict between our strategy and potential regulations. An environmental review of the facility will be done by a third party in order to ensure compliance with state regulations and to ensure proper use and disposal of chemicals.

#### **(vi) Discharge and Emissions**

CO<sub>2</sub> will be added to our cultivation rooms. This will be used by the plants and not generally released outside the facility. We will have automated CO<sub>2</sub> alarms, both onsite and remote, that will trigger carbon filtered exhaust fans to remove hazardous levels of CO<sub>2</sub> from the room due to possible malfunctioning equipment.

At this time there is no plan for other significant emissions or discharge other than nutrient enriched water.

#### *Odor Control*

Odor control will be achieved through HVAC design carried out by O&M industries. The design will result in a slight negative pressure effectively containing all odors inside cultivation areas. Additionally, inline fans will pull cultivation room air through carbon filters, reducing general odor. We will also employ a similar carbon filter setup for exhaust in case of a need for air exchange. Carbon filter exhausts will also be used in all cannabis related rooms including drying, processing, and manufacturing rooms. With this design, no significant odor should escape the building.

#### **(vii) Anticipated Noise Levels**

The majority of sound resulting from our facility will be generated by air conditioning units located outside of the building. We anticipate the need of about 150-200 tons of cooling capacity, which equates to about 9-12 commercial units. Each unit will be about as noisy as using a vacuum cleaner or blender (83dba). These units will likely be mounted on the roof pending HVAC specialist consultation.

We are unaware of any further noise pollution that may result from our operations, but will work with the city and public in a timely and respectful fashion if any complaint occurs.

**(viii) Public Facilities Usage**

Rio Dell city water will be used in the facility. All bathrooms and showers will use city sewer systems if possible, otherwise a septic tank will be installed. Currently we anticipate the use of a septic system.

Roads needed to access the premises will be used on a daily basis by employees and delivery trucks as stated in section (ii).

Our estimated water usage is 2,000 gallons per day, but may be lower or higher by up to 50%. Precise irrigation, high quality substrate, and robust environmental controls will allow us to be highly efficient with our water.

**(ix) Water Source, Storage, Use, and Environmental Impact**

We plan on using city water for all cultivation. All fertilizers will be directly injected into irrigation equipment thereby eliminating the need for large storage tanks.

As written in section (vii) our general water usage will likely be somewhere between 1,000 and 3,000 gallons per day. Of that about 0-15% will become runoff amounting to 0 to 450 gallons of runoff per day. The amount of runoff will be dictated by environmental factors, plant maturity, and cultivation scheduling. This runoff will either be dispersed on a leach field, stored for disposal, or evaporated in a controlled setting.

No erosion is likely to occur. No watershed or habitat destruction is likely due to the contained nature of operations. The production of high quality indoor cultivated cannabis can be energy intensive, but is highly controllable. We intend to reduce energy usage as much as possible through technological advances in lighting and lighting strategies. We hope that we can lead the industry towards higher efficiency and lower overall environmental impact.

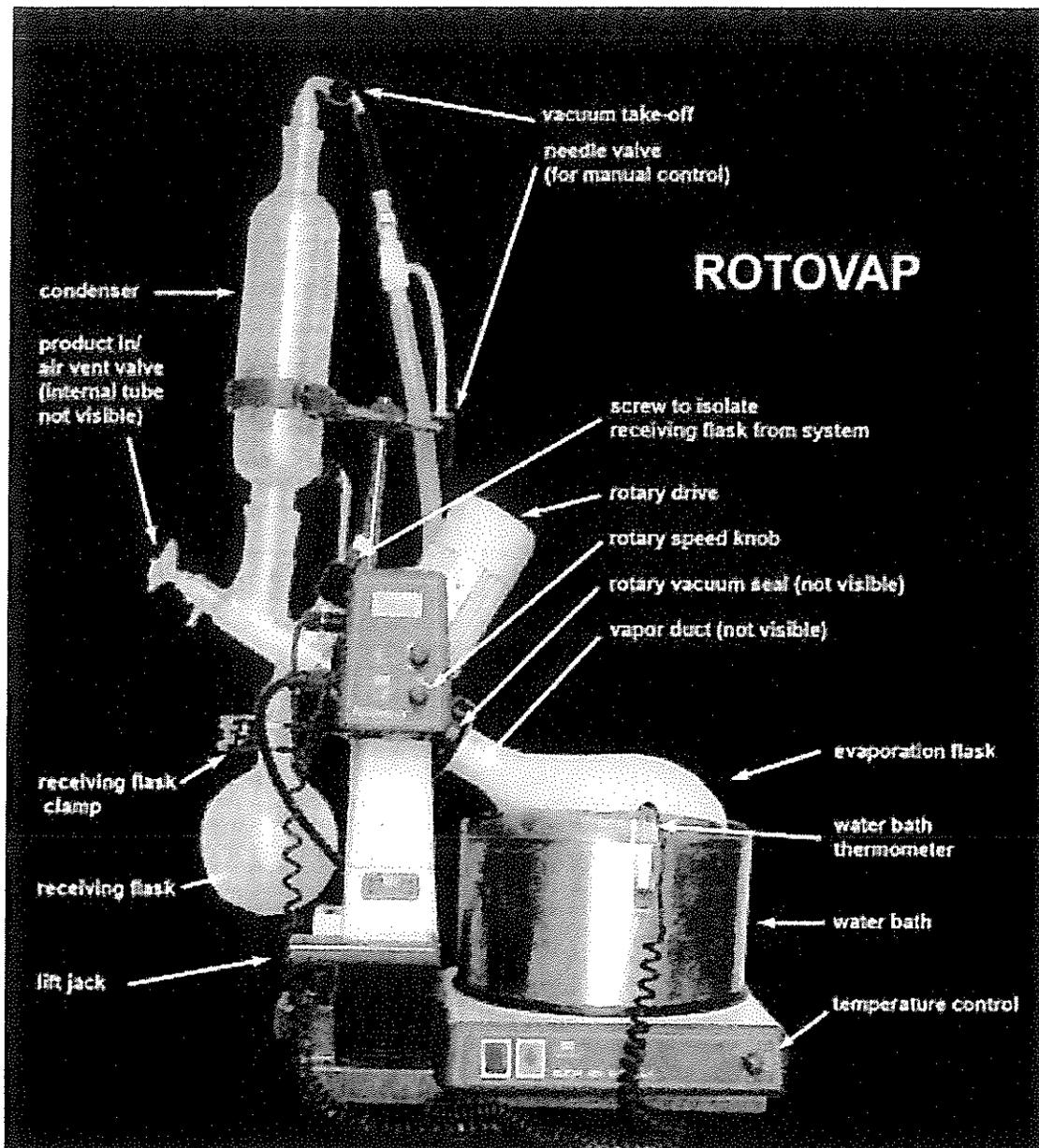
## Attachment 1

### *Ethanol rotary evaporation system:*

When material containing THC is soaked in ethanol, the THC is absorbed into the organic ethanol. To concentrate the THC and recover our ethanol, we use a rotary evaporation system.

### *Operation*

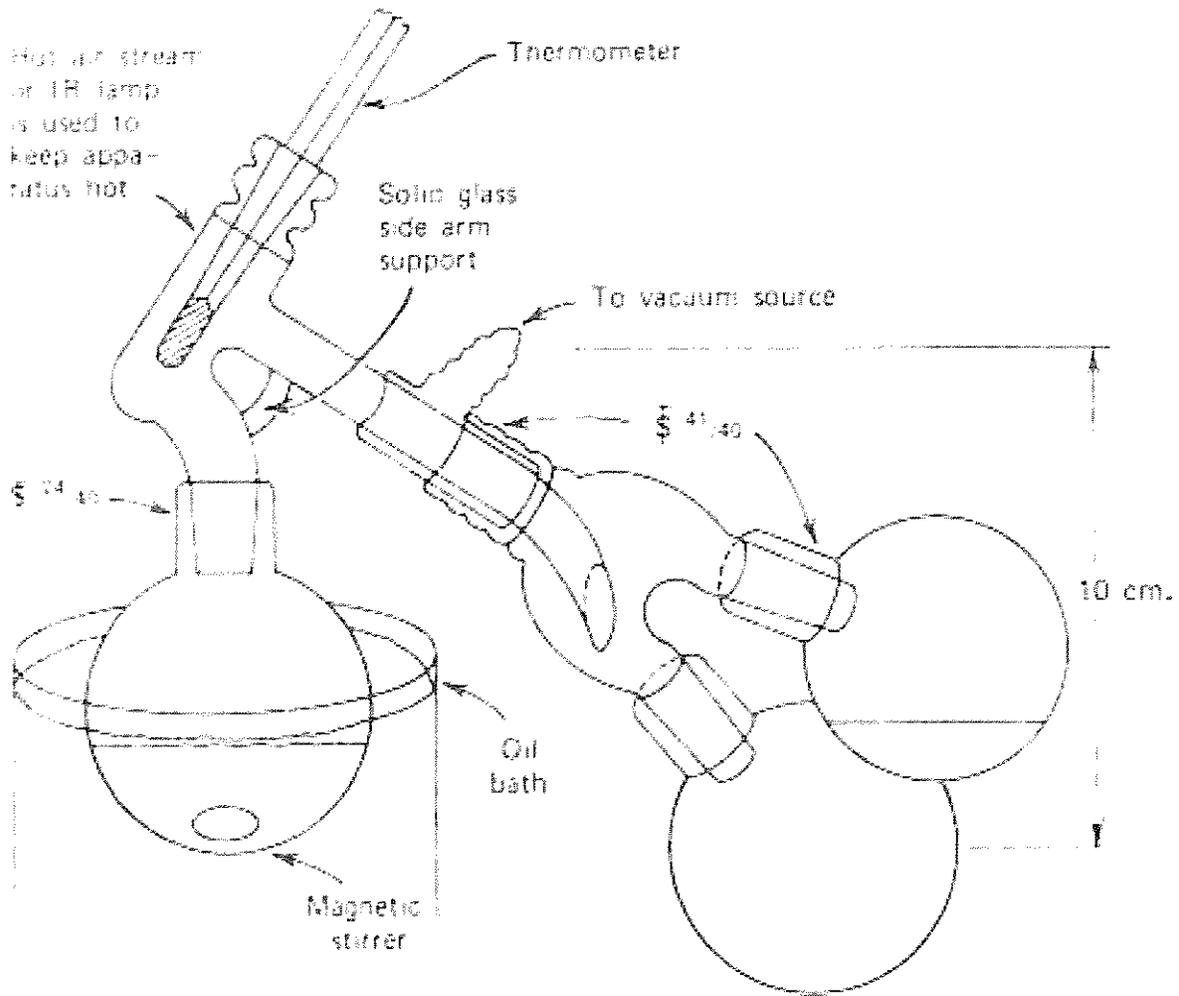
A heating bath warms the ethanol THC mixture in the evaporation flask while a pump creates a vacuum. Due to the heat and the pressure, the ethanol will be caused to evaporate into the condenser chamber where it will condense and fall into the receiving flask in liquid form. This leaves a concentrated "crude" oil in the evaporation flask, while recovering the ethanol on the other end. Throughout this process the alcohol is contained within the rotary evaporator providing a safe work environment when operated properly.



<http://420extractions.com/wp-content/uploads/2014/07/RotoVap.jpg>

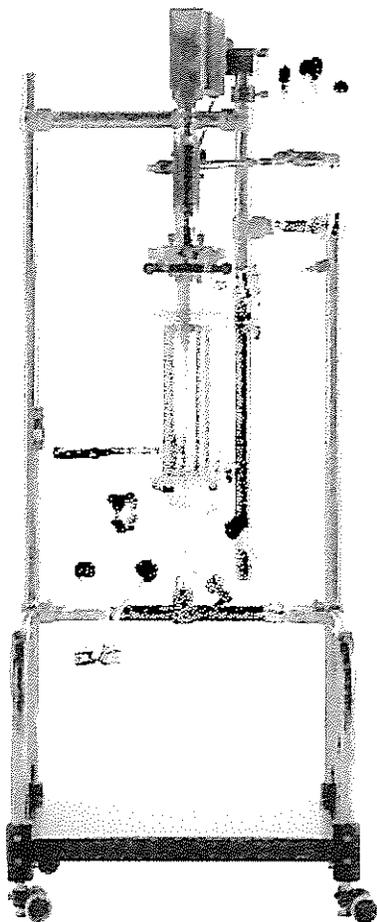
*Short path distillation system:*

Short path distillation takes the concentrated THC ethanol material created as a result of the rotary evaporation process, and further refines it. The material is slowly heated up under a deep vacuum. This allows different fractions to boil and then evaporate out. The most desirable fraction is separated and collected as a result. This process is done multiple times per batch. Each time, the concentrate becomes cleaner and more potent. The end product can be used for nearly anything which includes but is not limited to: oil for edibles, oil for smoking, and electronic pen refills.



*Short path wiped film machine:*

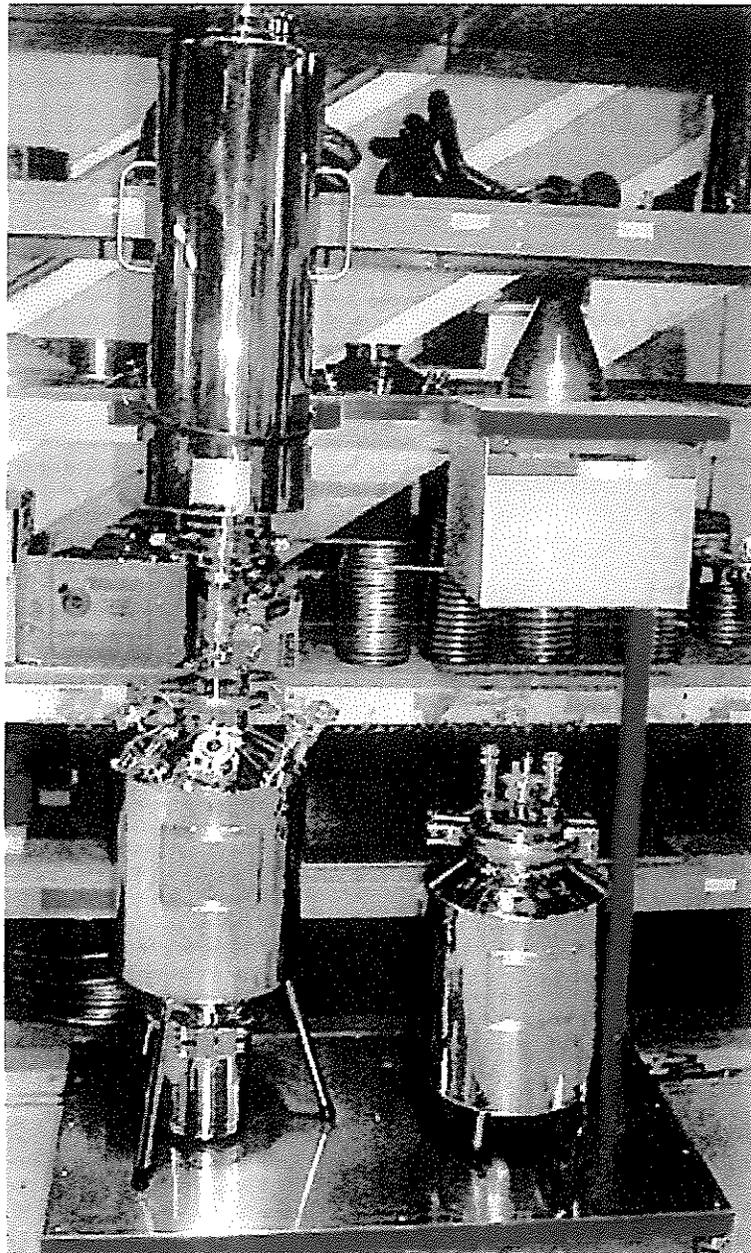
The short path wiped film system is based on the same principles as the short path but has an added chamber that helps separate the fractions with a spinning brush.



<https://geniusextraction.com/wp-content/uploads/2017/04/Asahi-Short-Path-Image-1.jpg>

*N-Butane mixed with propane extraction:*

This system utilizes N-butane and propane to extract the THC with minimal amount of residual undesirables. The system is certified and closed loop (gas passes from one jacketed cylinder to another without being exposed to open air) to prevent any gas leakage. Since gas doesn't ever come in contact with open air it is safe if operated properly.



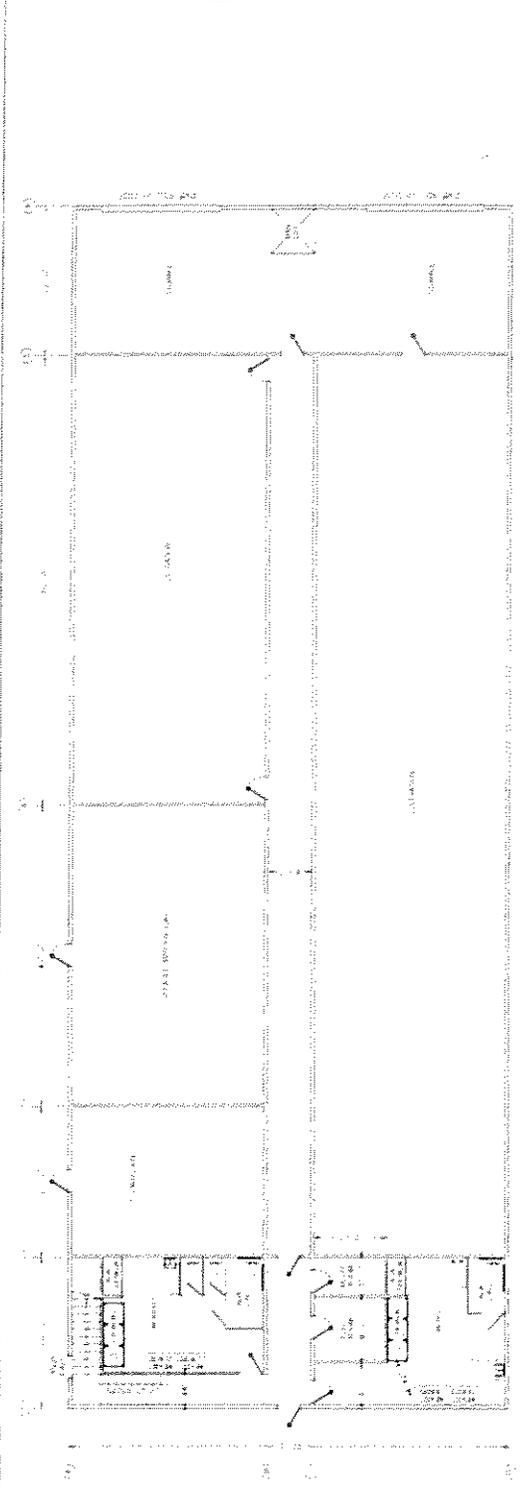
## **GreenHeart Labs, LLC Type 11 and Type 12 license (i) Project Description; Distribution**

GreenHeart Labs, LLC will be leasing a secure suite from the Zenith Brand's facility. The suite will be approximately 500sq ft and will be accessed from a heavily fortified, biometrically locked door located on the exterior of the facility. GreenHeart will also utilize an excellent alarm system. Video feeds from the exterior and interior will be monitored at all times. GreenHeart Labs will purchase cannabis, and other related products (extracts, oils, and anything else related to the industry) from legal cultivators and manufacturers with the goal of getting those products into retail facilities.

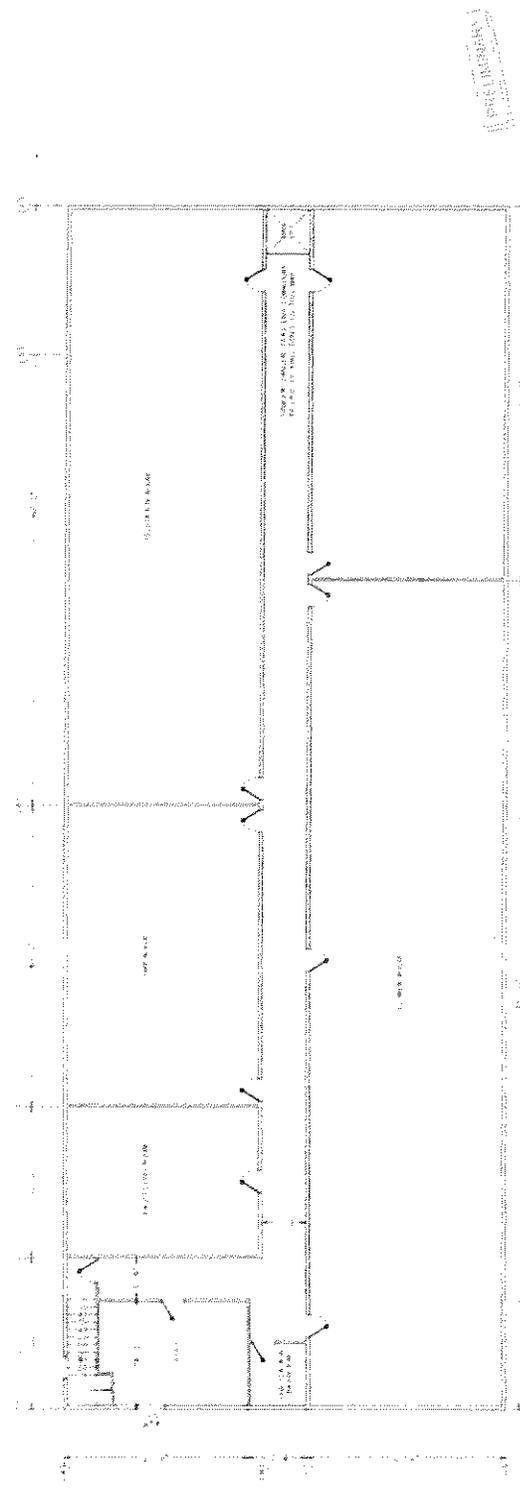
With the Type 11 "distribution" license, we will need an accompanying Type 12 "transportation" license to transport the product safely and reliably to market. If this requires an armored vehicle or any other type of security measure, we will be sure to conform. With state regulations still in flux, it is difficult to determine precisely what will be required of these license holders. We intend to fully comply with all regulations. Our intention is to be of service to all the neighboring businesses who need assistance getting their product into retail store fronts.

### **Employees and Hours**

GreenHeart Labs is expected to utilize two drivers and two support staff for purchasing. Hours are still yet to be determined. The support staff and drivers will keep regular business hours but unexpected events may occur, altering operation times.



**1st FLOOR PLAN**



**2nd FLOOR PLAN**

THESE PLANS ARE PRELIMINARY  
 AND NOT TO BE USED FOR  
 CONSTRUCTION. ANY  
 CHANGES TO THE PLANS  
 MUST BE APPROVED BY THE  
 ARCHITECT.



Draft Report

# Traffic Impact Study for the Humboldt-Rio Dell Business Park

in the  
City of Rio Dell

April 26, 2017

W-Trans is a subsidiary of W-Trans, Inc., a public utility company serving the communities of SANTA ROSA, OAKLAND, and SAN JOSE. W-Trans is a member of the San Francisco Bay Area Rapid Transit District (BART) and is a member of the San Francisco Bay Area Rapid Transit District (BART) and is a member of the San Francisco Bay Area Rapid Transit District (BART).

## Executive Summary

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The Humboldt-Rio Dell Business Park Project would redevelop the former Eel River Sawmill site located on the east side of US 101 just north of the Eel River to provide cannabis production and distribution facilities as well as other cannabis related uses. Although the proposed uses at this time are for the most part cannabis related, it should be noted that the business park would not be limited to cannabis activates. As proposed, the project would redevelop nine of the existing 16 parcels and would have approximately 160 employees. The redevelopment has the potential to generate an average of 626 new trips per day, including 74 trips during the a.m. peak hour and 82 trips during the p.m. peak hour.

The study area includes the intersections of US 101 with Metropolitan Heights Road and Northwestern Avenue, both of which provide access to the site. Analysis indicates that the study intersections are operating acceptably under Existing conditions and are expected to continue operating at an acceptable level of service upon the addition of project-generated trips. Under anticipated Future volumes, which were calculated using Caltrans growth factors, the two study intersections are expected to continue operating acceptably with and without project-generated trips.

Northwestern Avenue, which provides primary access throughout the site, is in poor condition due to past use by logging trucks and other heavy vehicles. In order to provide adequate access to the new facilities, the City may wish to develop an impact fee for the potential developments that would cover the cost of paving the roadway and providing other improvements, such as street lighting, as deemed necessary by the City. The fee could be based on the proportional share of trips anticipated to be generated by each parcel, which was calculated as part of the analysis.

Northwestern Avenue is predominantly straight and flat throughout the project site, so while specific locations for driveways have not been determined, sight distance is not expected to be an issue. As site plans for individual parcels become available, sight distance should be field checked at proposed driveway locations to maintain sight lines of at least 150 feet along the roadway.

Queuing was analyzed to determine the adequacy of the existing southbound left-turn lanes on US 101 at the study intersections to accommodate project generated traffic. It was determined that a maximum of two vehicles would be expected to queue at Metropolitan Heights Road and one vehicle at Northwestern Avenue under Future plus Project conditions. Both left-turn lanes have space to accommodate three vehicles so the turn lanes are adequate to accommodate the projected maximum two-vehicle queue.

EXHIBIT A

Conditions of Approval  
GreenHeart LLC. Conditional Use Permit  
File No. 205-111-075; Case No's. CUP 17-02

Conditions of Approval

1. **Security Plan:** The permittee shall modify the security plan to include the information required by Section 40200 et. seq of the California Code of Regulations. At minimum, the security plan shall include a description of the security measures to be taken to:

(a) Prevent access to the premises by unauthorized personnel and protect the physical safety of employees. This includes, but is not limited to:

(1) Establishing physical barriers to secure perimeter access and all points of entry into a manufacturing premises (such as locking primary entrances with commercial-grade, non-residential door locks, or providing fencing around the grounds, driveway, and any secondary entrances including windows, roofs, or ventilation systems);

(2) Installing a security alarm system to notify and record incident(s) where physical barriers have been breached;

(3) Establishing an identification and sign-in/sign-out procedure for authorized personnel, suppliers, and/or visitors;

(4) Maintaining the premises such that visibility and security monitoring of the premises is possible; and

(5) Establishing procedures for the investigation of suspicious activities.

(b) Prevent against theft or loss of cannabis and cannabis products. This includes but is not limited to:

(1) Establishing an inventory system to track cannabis material and the personnel responsible for processing it throughout the manufacturing process;

(2) Limiting access of personnel within the premises to those areas necessary to complete job duties, and to those time-frames specifically scheduled for completion of job duties;

(3) Supervising tasks or processes with high potential for diversion (including the loading and unloading of cannabis transportation vehicles); and

(4) Providing designated areas in which personnel may store and access personal items.

(c) Secure and back up electronic records in a manner that prevents unauthorized access and that the integrity of the records is maintained.

## 2. Records and Reporting

Record Retention. The term record includes: all records, applications, reports or other supporting documents required by the City and the State.

(a) Each permittee shall keep and maintain the records listed in subsection (e) for at least 7 years from the date the document was created.

(b) Records shall be kept in a manner that allows the records to be immediately produced for the City at the permitted premises.

(c) All records related to commercial cannabis activity are subject to inspection by the City.

(d) A permittee may contract with a third party to provide custodial or management services of the records. Such a contract shall not relieve the licensee of its responsibilities under this condition.

(e) Each permittee shall maintain all of the following records on the licensed premises or at a different location identified by the licensee and approved by the City, including but not limited to:

(1) City and State issued permits and license(s);

(2) Plan of Operations;

(3) All records evidencing compliance with the environmental protection measures required in Sections 8313, 8314, and 8315 of the California Code of Regulations;

(4) Any supporting documentation for data or information input into the track-and-trace system;

(5) Financial records, including but not limited to, bank statements, tax records, invoices, and sales receipts;

(6) Personnel records, including each employee's full name, social security, or individual tax payer identification number, date of beginning employment, and date of termination of employment if applicable;

(7) Training records, including but not limited to the content of the training provided and the names of the employees that received the training;

(8) Contracts with other state licensed medical cannabis businesses;

(9) Permits, licenses, and other local authorizations to conduct the licensee's commercial cannabis activity;

(10) Security records; and

(11) Records associated with the composting or disposal of waste.

(f) All required records shall be prepared and retained in accordance with the following conditions:

(1) Records shall be legible; and

(2) Records shall be stored in a secured area where the records are protected from debris, moisture, contamination, hazardous waste, fire and theft.

### **3. Background Checks**

Owner(s) or employee(s) who makes or will make operational or management decisions that directly impact the business shall consent to a background check pursuant to Section 19322(a)(1)(A) of the Business and Professions Code, including submitting to the Department of Justice fingerprint images and related information required by the Department of Justice for the purpose of obtaining information as to the existence and content of a record of State or Federal convictions and arrests, and information as to the existence and content of a record of State and Federal convictions and arrests for which the Department of Justice establishes that the person is free on bail or on his or her own recognizance, pending trial or appeal. The applicant shall be responsible for the costs associated with the required background check.

(i) No Owner or employee who makes or will make operational or management decisions that directly impact the business shall have been convicted of an offense, or is currently free on bail or on his or her own recognizance pending trial or appeal for an offense, that is substantially related to the qualifications, functions,

or duties of the business or profession for which the application is made, including but not be limited to, the following:

- (A) A felony conviction for the illegal possession for sale, manufacture, transportation, or cultivation of a controlled substance;
- (B) A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code.
- (C) A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code.
- (D) A felony conviction involving fraud, deceit, or embezzlement.

**4. Health and Wellness Center:** The applicant shall comply with the Performance Standards in Section 17.30.195(14) of the Rio Dell Municipal Code (RDMC).

**5. Processing and Distribution:** The applicant shall comply with all State regulations regarding processing, packaging and distribution, including packaging and labeling.

**6. Manufacturing:** The applicant shall comply with the Performance Standards in Section 17.30.195(12) of the Rio Dell Municipal Code (RDMC) and any applicable State regulations.

**7. Nursery:** The applicant shall comply with the Cultivation Performance Standards in Section 17.30.195(10) of the Rio Dell Municipal Code (RDMC) and any applicable State regulations.

**8. Laboratory:** The applicant shall comply with the Testing Laboratories Performance Standards in Section 17.30.195(13) of the Rio Dell Municipal Code (RDMC) and any applicable State regulations.

**9. Community Relations:** Each medical cannabis facility shall provide the City Manager or designee with the name, phone number, facsimile number, and email address of an on-site community relations or staff person or other representative to whom the City can provide notice if there are operating problems associated with the medical cannabis facility or refer members of the public who may have any concerns or complaints regarding the operation of the medical cannabis facility. Each medical cannabis facility shall also provide the above information to its business neighbors located within 300 feet of the medical cannabis facility.

**10. Inspections:** Consent to a minimum of at least one quarterly on-site compliance inspection, to be conducted by appropriate City officials during regular business hours (Monday

– Friday, 9:00 am – 5:00 pm, excluding holidays). The applicant shall be required to pay the Inspection Fee in effect at that time.

**11. Highway 101, Metropolitan Heights and Northwestern Intersection Improvements:** Any required improvement costs to the Highway 101 and Metropolitan Heights and Northwestern Intersections will be shared among the developers based on the number of daily trips generated by their uses.

**12.** The applicant shall execute the Release of Liability and Hold Harmless Agreement required by Section 17.30.195(4) of the Rio Dell Municipal Code (RDMC).

RESOLUTION NO. PC 113-2017



**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF RIO DELL  
APPROVING THE GREENHEART LLC CANNABIS ACTIVITY CONDITIONAL USE  
PERMIT.**

**WHEREAS** GreenHeart Enterprises LLC. (Tyler Roberts) has made application for a Conditional Use Permit for Medicinal Cannabis operations, including Manufacturing oils/concentrates, Indoor Cultivation and a Distribution and Processing Facility within a 19,200 square foot two story building; and

**WHEREAS** attachment 1 includes the Plan of Operations for the proposed uses. The Plan of Operations addresses, employees, traffic, security, waste management, etc.; and

**WHEREAS** The security plan includes up to 128 closed circuit cameras strategically placed on the outside and inside of the building to monitor and record all activities inside and outside the building. An alarm system will be installed on site. Alarm buttons will be placed throughout the facility; and

**WHEREAS** The State is in the final stages of adopting regulations for cannabis businesses. Once adopted, local businesses are required to comply with both the State and local regulations; and

**WHEREAS** the Commercial Medical Cannabis Land Use Ordinance (CMCLUO), Section 17.30.195 allows medical cannabis facilities in the Sawmill Annexation area with a Conditional Use Permit. As such, the proposed uses are allowed; and

**WHEREAS** The buildings were evaluated for compliance with the development standards of the Industrial Commercial (IC) zone, including setbacks, lot coverage, building height, parking, design review, landscaping etc. as part of the Design Review approval; and

**WHEREAS** the purpose of the Industrial Commercial zone is to provide for industrial and commercial uses; and

**WHEREAS** based on the information submitted, staff recommends that the proposed uses be found to be consistent with the development standards of the Industrial Commercial (IC) zone and the Commercial Medical Cannabis Land Use Ordinance, Section 17.30.195 and the Use Permit requirements of Section 17.35.030 of the Rio Dell Municipal Code; and

**NOW, THEREFORE, BE IT RESOLVED** that the Planning Commission of the City of Rio Dell finds that *as conditioned*:

**WHEREAS** The proposed use is consistent with the general plan and any applicable specific plan; and

**WHEREAS** The design, location, size, and operating characteristics of the proposed activity are compatible with the existing and future land uses in the vicinity; and

**WHEREAS** the site is physically suitable for the type, density and intensity of use being proposed, including access, utilities, and the absence of physical constraints

**WHEREAS** granting the permit would not be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zoning district in which the property is located; and

**WHEREAS** the proposed project has been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act (CEQA);.

**I HEREBY CERTIFY** that the forgoing Resolution was PASSED and ADOPTED at a regular meeting of the Planning Commission of the City of Rio Dell on June 27, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Nick Angeloff, Chairperson

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Resolution No. PC 113-2017 adopted by the Planning Commission of the City of Rio Dell on June 27, 2017.

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Karen Dunham, City Clerk, City of Rio Dell

The Staff Report and supporting documents for the Wendt Parking Exception Request will be distributed at the Planning Commission meeting.